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FBIS-SOV-94-161 *19 August 1994*

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CIS Republics Seeking Economic Integration

LD1808185594 Moscow INTERFAX in English 1354 GMT 18 Aug 94

[Text] Deputy Chairman of the Federation Council, Valeryan Viktorov, commenting on the visit to Moscow by Moldovan Prime Minister Andrei Sangheli, said that the CIS republics are "fed up with their sovereignty" and are seeking economic integration, particularly with Russia. Russia is the "locomotive which will be able to pull its own economy and those of CIS countries out of the crisis," he said addressing a briefing on Thursday.

To confirm his statement, Viktorov cited the amount of CIS GDP for 1993 in billion dollars: Russia—730-800, Ukraine—191, Belarus—57.8, Kazakhstan—57.3, Uzbekistan—50.7, Azerbaijan—16.2, Moldova—15.4, Turkmenistan—10.8, Kyrgyzstan—10.3, Georgia—7.4, Tajikistan—6.5, Armenia—6.4. these figures, he said, show that the economies of most CIS countries are not yet competitive and "they will not survive without Russia."

Viktorov believes that within one or two years, the amorphous Commonwealth of Independent States will acquire a tough organizational framework which will make it possible for the republics to resolve jointly all economic and social problems. He believes that for this a coordinating body similar to the European parliament is necessary which would be not only a consultative but also a legislative body determining the rules of the game for the CIS countries.

Speaking about the problems of the 14th army, Viktorov said that it will take 3.5 years to withdraw it from Moldova and it will take six months for the Russian and Moldovan governments to draft and sign an initialed agreement on the legal status and the schedule for its withdrawal.

He criticized the defense ministry, which "has started army reorganization which would bring it to collapse and turn it into a gang of looters trading in fire arms. Thank God, the Russian president put an end to the speculations."

In a recent interview with Interfax, Boris Yeltsin spoke highly of the role played by the 14th army and its commander Aleksandr Lebed in stopping the bloodshed in Transdniestria [Dniester], and said that it is not in the interests of Russia to allow an aggravation of the situation in the area.

ITAR-TASS Carries Press Review for 19 Aug

LD1908082194 Moscow ITAR-TASS in English 0659 GMT 19 Aug 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow, August 19 (ITAR-TASS)—Leading newspapers pay close attention to the abortive state coup in August 1991, examining its influence on the further development of the political situation in Russia on the eve of the coup's third anniversary.

The IZVESTIYA newspaper writes in its commentary that "later, many found it advantageous to picture the putsch as something trifling and to describe it as "operatic" [punctuation as received]. Following its complete debacle, such a version seemed advantageous for saving the plotters.

In any case, their trial was stage-managed as an unconvincing show from the very beginning. However, the original intentions of the plotters were dead serious. Their action in Moscow was the final act in a chain of attacks by the outgoing regime on civilians in Tbilisi, Baku, Vilnius and Riga.

"There was nothing facitious about those atttacks, as well as about the seeds of the plot which sprouted in the Dniester region (eds: a self-proclaimed breakaway republic seeking independence from Moldavia) and Abkhazia much later".

"The forces of revenge," the newspaper continues, "are active even today. They are now preparing another offensive, conceived shortly after the plotters were amnestied, while the subsequent acquittal of General Varennikov added inspiration to new plotters.

"All this leaves an impression of a remake of a very familiar play. Authorities again react with attempts to find a compromise with Yeltsin, not Gorbachev, now acting as conciliator, a new emploi for him.

Following the amnesty, he made an attempt at turning evil into good with his pact on civic accord. It was not a bad idea, and a very expedient one at that: we cannot be balancing on the brink of civil war all the time. It looks like the state power (or at least part of the forces representing state power in Russia) is looking for a chance to strengthen its position by pacifying political opponents.

However, it would be better to look for such a chance in improving living standards for the majority of the country's population. Through beating down inflation. Through cutting the expenditures for the state bureaucratic machine. Through suppressing bribe-taking and the arbitrary rule of bureaucrats. Through developing market incentives for those who are ready to work well. Through actually combatting crime instead of talking about it."

Writing in the ROSSIYSKAYA GAZETA newspaper, Dmitriy Shteinberg, defence lawyer of General Varennikov, said that a great country lived through a tragedy in August 1991. There was a clash between two ideologies, two positions on ways of pulling out of the deadend.

The state emergency committee formed by the plotters claimed that it was possible to pull the country out of the crisis (evident to all) only by taking emergency measures.

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On the other hand, Gorbachev believed that only the union treaty can somehow save the situation.

The sides either overestimated each other's possibilities or, on the contrary, underrated them. "Be as it may, but we had no legal mechanism for settling disputes in such cases at that time, and we do not have it now either."

There was an impotent constitution monitoring committee at that time, and there is an impotent constitutional court now. It turns out that there is nobody again to protect the constitution. Legal arbitrariness sets in where politics interferes with law, the lawyer said.

When all the arms of government are in perpetual state of struggle for power, and there is nobody to stop them in this dangerous ring, social upheavals take place, Shteinberg concluded.

The PRAVDA newspaper quotes extracts from a speech by former Defence Minister Dmitriy Yazov before Omsk residents. The former member of the state emergency committee said that he "agrees that he has to be tried at court for the fact that the cause of the state emergency committee fell through".

"We encouraged people. They got convinced that we would defend the Soviet Union from a collapse," he said. "However, we lost not because we did not want but because we had to shoot and use force.

"By that time, there were a lot of people fooled by our democrats and their toady press. On the other hand, there were a lot of local petty bourgeois elements that it was impossible to seize capital, accumulated by them, without force.

"Nobody tried to do this. We agree that public and private property can go along, but transition to capitalism does not protect public property in any way. What were we afraid of?

"We were afraid of a collapse of the great state, which will start with the economy. I think that all are convinced now of the correct nature of our apprehensions."

ROSSIYSKAYA GAZETA writes that the centre of Russian power now shifted to the Caucasian Black Sea coast, to be more precise, to Sochi where Boris Yeltsin arrived on Wednesday evening after his working trip across the country.

It is expected that the Russian president will hold there a top- level discussion of "new political year" which will start after the end of summer holidays and the parliamentary recess.

Members of the higher state leadership who are now in Sochi, will evidently be among his conferees.

As for further plans of the Russian leader, the newspaper continues, it is known that he will go to Germany late in August to attend functions connected with the final withdrawal of Russsian troops from there.

Yeltsin will meet Chinese Chairman Jiang Zemin in Moscow on September 3-4. The Russian president will visit Britain on September 24. Later, he will deliver a report at the U.N. Generall Assembly and will go on an official visit to the United States.

Following the return from overseas on September 29, Yeltsin will make an official visit to Kiev early in October during which a Russian-Ukrainian treaty is to be signed.

The NEZAVISIMAYA GAZETA newspaper claims that Defence Minister Pavel Grachev is worried over an article in its issue of August 17, containing a version of his coming resignation.

"Grachev is afraid," the newspaper writes, "that such a decision may be finally taken by Boris Yeltsin both under the influence of an emotional factor (after familiarisation with daily review of the most important articles in the Russian press) as well as due to an appropriate recommendation from Aleksandr Korzhakov, chief of the presidential security service."

In the opinion of a source close to the leadership of the Defence Ministry, Grachev plans to seek a personal meeting with Yeltsin at his Sochi residence to assure the president of his ability to hold control over the situation in the armed forces and to swing a trend for further cooling of relations between them, NEZAVISIMAYA GAZETA writes.

The KRASNAYA ZVEZDA newspaper features a report devoted to the 40th anniversary of the Moscow air defence district, stressing that Yeltsin congratulated on Thursday the district's military personnel on the holiday.

Commenting on a preliminary agreement reached at the third round of talks between the United States and North Korea in Geneva, the newspaper notes that "be as it may, progress in settling problems on the Korean peninsula is evident".

In the newspaper's opinion, the next step will be made when North Korea and the U.S. will be able to reach accord on fuel rods extracted from the North Korean reactor in Yonben. The U.S. believes that their processing may give Pyongyang such quantities of plutonium which are enough to manufacture four nuclear bombs.

ROSSIYSKAYA GAZETA carries several extracts from a conversation between author Aleksandr Solzhenitsyn and TV reporter Revenko, which is being readied for broadcasting. The writer shares his impressions from his trip across Siberia, stressing that "we should create a protection project by all means in order to raise our production".

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Russia Investigating Plutonium Smuggling Incidents

LD1808173694 Moscow ITAR-TASS World Service in Russian 1446 GMT 18 Aug 94

[By ITAR-TASS diplomatic correspondent Andrey Shtorkh]

[Text] Moscow, 18 Aug—The forthcoming visit to Moscow by Bernd Schmidbauer, minister of state in the German chancellor's office responsible for the coordination of special services, is a routine one. This was stated at today's briefing for Russian and foreign journalists by Grigoriy Karasin, director of the Information and Press Department of the Russian Foreign Ministry. The program for the visit includes discussion of a wide range of issues involving cooperation between the two countries' special services. Naturally, one of the points on the agenda will be the current controversy over the discovery of smuggled plutonium-239 in Germany, the Russian diplomat said.

ITAR-TASS has learned from informed sources that Schmidbauer's visit will last from 20 to 22 August. The German minister, who will be visiting Moscow as Chancellor Helmut Kohl's personal representative, will have his main discussions with the leadership of the Federal Counterintelligence Service. His delegation will largely consist of representatives of German special services, plus a specialist on nuclear physics, the same sources indicated.

Answering journalists' questions at the briefing, Karasin said he could not understand the sensationalized and emotional media reaction to the plutonium-239 find and the efforts, basically, to terrorize international public opinion with speculation and conjecture of various kinds.

This is indeed a very serious issue, the Russian diplomat stressed. Russia has reiterated several times its readiness to conduct an open and detailed examination of all aspects of this problem and to do all it can to prevent anything of the kind happening in future. This was the gist of the reply that Russian President Boris Yeltsin sent to Chancellor Helmut Kohl in Bonn the other day. We are satisfied with the serious attitude displayed by officials in a number of countries, including Germany and the United States, in their comments on the fairly dramatic situation that has developed. In other words, we intend to have businesslike discussions and an exchange of information. We aim to seek a solution to these problems.

Minister Denies Plutonium's Russian Origin

MM1808100194 Moscow ROSSIYSKAYA GAZETA in Russian 18 Aug 94 First Edition p 6

[Report "based on ITAR-TASS materials": "Who Gains from Fuss Over Plutonium?"]

[Text] The plutonium seized in Germany does not accord in terms of composition and purity with materials from Russian military stocks.

That was the sensational statement made yesterday by THE NEW YORK TIMES, citing statements by experts from the Los Alamos atomic laboratory (New Mexico). This opinion of the newspaper is undoubtedly at odds with the feeling which has prevailed until recently in the U.S. mass media regarding the plutonium discovered in Germany.

According to reports from Germany and results of their analysis by Los Alamos atomic laboratory experts, the radioactive material which has been seized is not weapons-grade plutonium-239 but is a mixture of plutonium and uranium oxides. This mixture is known as "mox" or mixed oxide fuel and is used as fuel for nuclear reactors generating electricity. THE NEW YORK TIMES specifies that mox is used in countries like Japan, France, Belgium, and Germany. In Russia its use is still at the experimental stage.

Official spokesmen for Russian departments and nuclear specialists deny the unfounded accusations that nuclear materials have been exported from Russia.

"That is sheer provocation," stated Yevgeniy Mikerin, Russian Federation deputy minister for atomic energy. "Of all cases of the so-called 'leakage' of Russian nuclear materials reported by the Western press so far only one has been confirmed—a few years ago uranium pellets produced in Ust-Kamenogorsk were discovered."

"I think," Ye. Mikerin stressed, "that the fuss which has been made has a purely economic agenda: by persuading the whole world that there is no proper control at Ministry of Atomic Energy enterprises the West is trying to foist its aid onto us in constructing new storage facilities and the establishment of its own control system. And that means orders worth many millions for the supplying firms."

Incidentally, specialists draw attention to the fact that the West, in speaking of the plutonium's "Russian origin," has not once tried to create a joint commission. That approach can hardly help to ascertain the truth.

U.S. Views of Nuclear Contraband Cited

MM1908093794 Moscow RABOCHAYA TRIBUNA in Russian 19 Aug 94 p 7

[Report by correspondent Valeriy Rusakov: "Nobody's Bomb But It Came from Moscow"]

[Text] New York—U.S. experts have had their say in the sorry adventure of the theft of plutonium-239 and the exchange of fire between the German and Russian guardians of law and order on the subject.

The good news is they are inclined to agree with Moscow's assertions that nuclear weapons and their components are under sufficiently vigilant supervision at Russian military establishments.

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The bad news is that they fully allow the possibility that radioactive materials have gone missing from Russian scientific institutions or civilian enterprises.

"The Russian military's statements that all weapons-grade plutonium is under control should not set our minds at rest," Thomas Hawkins, a leading staffer at the international safety department of Los Alamos laboratory, the birthplace of the atom bomb, stated in THE NEW YORK TIMES. "We cannot fail to be greatly perturbed by the fact that a considerable quantity of plutonium, almost on scales allowing the production of nuclear weapons, is going missing through criminal channels."

In the opinion of U.S. experts, the 300 grams of plutonium confiscated in Munich a week ago from the suitcase of smugglers who had arrived on a flight from Moscow are not suitable for the production of nuclear weapons. This plutonium is so-called mox—a mixture of plutonium and uranium oxides. This "peaceful atom" is used to fu[illegible] nuclear electric power station reactors in Germany, Japan, France, and several other Western countries. In Russia its use is still at the experimental stage.

Hence the story of the participation of our impoverished "eggheads" in the international smuggling of radioactive materials. Last Friday the German police seized one more plutonium batch—the fourth since May—this time, if we are to believe the Bremen prosecutor, with a certificate from the All-Union Isotopes Association.

Unfortunately, it is not only weapons-grade plutonium of high concentration (93 percent and above) but also less pure plutonium (87 percent) intended for nuclear electric power stations which can be used to produce a poor quality nuclear bomb, so to speak. This summer U.S. Energy Secretary Hazel O'Leary revealed a 32-year-old secret: A nuclear bomb filled with reactor-grade plutonium was detonated at a test range in Nevada.

Although both "mox" and weapons-grade plutonium have their own "fingerprints" determining their provenance is a very laborious and complex process which does not always produce a precise result.

Actually, it is too early for our guardians of safety to rejoice.

Their categorical statements of untouched innocence and their denials in the spirit of "what is your angle?" have had the directly opposite effect here.

After all, it is clear to the naked eye that our country is proceeding very cheerfully along the Sicilian or Neapolitan path of the merging of organized crime and state bureaucracy. And under the flag of the struggle against "the KGB as it is being reformed," crushing blows were struck against the existing system of ensuring security, including the physical guard on former secret establishments, including nuclear establishments, and also against the subdivisions engaged in the struggle against terrorism and organized crime. Add to that the chaos which followed the collapse of the Soviet Union, the miserly wages of the people with access to radioactive materials, and the colossal profits which trading in nuclear commodities can bring.

U.S. experts are in no hurry to accuse Russia, speaking of the former Soviet Union as the source of contraband. They are even prepared to put part of the blame on the United States: If Washington had displayed sufficient persistence and flexibility then the U.S.-Russian agreement on the reduction of the production of fissionable materials would have been signed about four years ago and the Russian nuclear institutions now under suspicion would be under reliable international control.

But specialists here reasonably point out that even in the past the system for ensuring the safety of nuclear establishments in the USSR was by no means the peak of perfection. In contrast to the West these establishments were scattered in large numbers across the entire country and the precise distinction between military and civilian establishments was not observed. In their opinion Russia has not yet succeeded in carrying out an inventory of the fissionable materials on its territory.

Actually, the position of Bonn, which made a big fuss until a careful investigation was carried out, is perplexing. Surely public rows cannot replace businesslike cooperation in the struggle against nuclear smugglers?

Senator Richard Lugar, one of the authors of the law on granting financial aid to Russia and other CIS countries for dismantling and destroying nuclear weapons, noted reasonably that if Moscow had not displayed its present readiness for close cooperation in the nonproliferation of nuclear weapons and the prevention of the loss of nuclear materials from the territory of Russia and the other new independent states, then no progress at all would have been possible in the solution of this dangerous problem. That is it is simply stupid to row with Moscow.

At the same time it is necessary to keep the problem under constant and unremitting control. As an official U.S. State department spokesman stated, at the forthcoming Washington summit between Bill Clinton and Boris Yeltsin in late September the question of measures for combating nuclear smuggling will be a key one.

Deputy Minister, German Envoy Discuss Troop Pullout

LD1808121794 Moscow ITAR-TASS in English 0935 GMT 18 Aug 94

[Text] Moscow August 18 ITAR-TASS—Russian President Boris Yeltsin's forthcoming visit to Germany and his meeting with Chancellor Helmut Kohl will impart major impulses to the interaction of the two countries at a new stage in the development of their mutually beneficial partnership, according to Russia's First Deputy Foreign Minister Igor Ivanov.

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The Russian deputy minister spoke during a meeting with German Ambassador to Russia Otto von der Gablenz at the latter's request.

Informed sources in the Russian Foreign Ministry told ITAR-TASS that Igor Ivanov and Otto von der Gablenz discussed prospects for the further development of cooperation between Russia and Federal Germany in light of the forthcoming withdrawal of the last Russian troops from Germany. They stressed the significance of the Russian and German leaders' personal participation in the send-off ceremony which is due to take place in Berlin on August 31.

The two diplomats agreed that the event in Berlin is a prologue to the upcoming 50th anniversary of the end of World War Two. They stressed the need to mark the date in an appropriate way with a view to raising the younger generation in the spirit of mutual respect, peace and rejection of any manifestations of nationalism and totalitarianism.

Official 'Pleased' With Black Sea Fleet Talks

LD1808154094 Moscow ITAR-TASS World Service in Russian 0915 GMT 18 Aug 94

[By ITAR-TASS correspondent Vladimir Taranov]

[Text] Moscow, 18 Aug (ITAR-TASS)—Russia is pleased with the tone of the Russian-Ukrainian talks on the division of the Black Sea Fleet which took place in Moscow 16-17 August. Grigoriy Karasin, director of the Russian Foreign Ministry's press and information department, said this today in an interview with the ITAR-TASS correspondent.

"Both delegations set themselves the goal of resolving all the outstanding issues. The main task was to resolve the problem of the Black Sea Fleet in the new context of the Russian-Ukrainian accords. This goal was reached during the Moscow talks," he noted.

Questions on the Black Sea Fleet prepared by specialists will be discussed at the next meeting between the presidents of Russia and Ukraine, Grigoriy Karasin said.

Fleet Settlement Pends 'Major' Treaty With Ukraine

MM1908080194 Moscow KRASNAYA ZVEZDA in Russian 19 Aug 94 p 3

[Report by Anatoliy Stasovskiy under the "Postscriptum" rubric: "Talks on Black Sea Fleet Continue To Mark Time; Seems Nothing Will Change Until Full-Scale Treaty Is Signed Between Ukraine and Russia"]

[Text] The latest Russian-Ukrainian talks on the Black Sea Fleet (the Russian head of delegation was Ambassador-at-Large Yuriy Dubinin, the Ukrainian head of delegation Vice Premier Marchuk), held in Moscow, did not, alas, bring the desired progress. The talks themselves were rather one more (what is the count now?) series of consultations and exchanges of opinions in which the sides once again expressed their view of the problem and noted yet again the substantial difference that exists in their approaches both to dividing up the Black Sea Fleet's infrastructure and to defining the base locations.

The Russian side, by all accounts, reacted without special enthusiasm to Ukraine's idea of creating a so-called Crimean naval base, which could incorporate a number of cities of the Crimea and where the Ukrainian and Russian Navies could be based. Why? The point is that, in the opinion of Russia's military experts, joint basing has long been precisely the bone of contention. The Russian side's proposal is exactly the opposite: To remove the tension that still persists and avoid creating confusion and muddle, the Black Sea Fleet Headquarters should remain in Sevastopol while the Ukrainian Navy's leadership should move to Donuzlav. It is impossible, after all, to divide the ships up without separating the basing systems. Here is where you hit an unfortunate snag. There are seemingly no special problems regarding the ships. The list of those which could be handed over to the Ukrainian side (that is to say, as people know, 15-20 percent of the ships and auxiliary craft) has already been agreed. But the situation regarding the fleet's infrastructure (depots, repair yards, missile technical facilities, dock frontage, and so forth), a good part of which has already been "piratized," as it is, by the Ukrainian Navy, is far more complicated. The Ukrainian side is, by all accounts, completely set on getting it. The reasoning is obvious: The Black Sea Fleet ships—and this is no secret at all—will be scrapped sooner or later. The logistic support facilities, however, are another matter. Take, for example, just the Sevastopol dry dock. Built before the revolution, it is operational and will continue, in specialists' opinion, to operate for many years to come.

The sides' stances on the problem of dividing up the shore-based troops do not coincide. The Ukrainian Navy considers that only seagoing personnel are being divided up, while the shore-based troop arms and maritime aviation belong to Ukraine. Disregarding the Russian side's disagreement, Ukrainian specialists are said to be in a hurry to get down to the practical dividing up of the ships. Meanwhile there has been no rapprochement of positions either on the important problem of the status of the Black Sea Fleet sailors, who are still being regarded as the servicemen of a naval grouping belonging to a foreign state.

The logical conclusion from the aforementioned is that there is a great probability that the talks in Moscow have most likely been used by the Ukrainian side as a blind. The Ukrainian side has, if we can put it this way, clearly been guided by the principle of doing everything to avoid agreement on anything. It cannot be ruled out that the Ukrainian side is hoping that after the signing of a major political treaty between Ukraine and Russia discussion on dividing up the Black Sea Fleet will proceed in a

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completely different key. If such a hypothesis is correct—and certain commentators incline toward it—we should scarcely expect any development of events at talks like the latest ones.

'Specific' Black Sea Fleet Issues Not Discussed

LD1808175194 Moscow INTERFAX in English 1452 GMT 18 Aug 94

[From the "Diplomatic Panorama" feature: Reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[Text] The issues on basing the Black Sea Fleet and its division were not discussed during the Russian-Ukrainian talks on the Black Sea Fleet in Moscow on Wednesday. Russian chief negotiator Yuriy Dubinin said in an interview with Interfax today that the talks had focused on various approaches to the issues concerning the Black Sea Fleet but the problems themselves had not been considered.

"We agreed not to discuss specific issues. Any specific issue cannot be discussed and resolved separately as it is followed by quite a number of other problems. That is why we just looked for common approaches. In other words, we designed the evolutionary way for settling the problems which provides for moving forward while taking into consideration everything positive which have been worked out already," Dubinin said.

When asked why the talks lasted only one day instead of the planned two days, Dubinin said, "We had enough time to discuss the key issue concerning the place of the issues on the Black Sea Fleet within the context of the new situation in relations between Russia and Ukraine after the elections in Ukraine."

Dubinin said he is satisfied with the work done in Moscow. "We prepared each other well and created a favorable atmosphere for the next round of the talks in Kiev planned for early September," he added.

Meanwhile, Ukrainian Defense Minister Vitaliy Radetskyy told Interfax that in Moscow the Ukrainian delegation had discussed interaction in the Black Sea region.

Radetskyy did not comment on the results of the meeting, saying only that during the talks the interests of Ukraine and Russia must be equally taken into account, he said.

"This problem arose in Crimea, so we must ease tensions in Crimea and ensure that no more conflicts flare up there," he said.

Further Dubinin Comment on Talks

MM1908102994 Moscow PRAVDA in Russian 19 Aug 94 p 1

[Report by Nikolay Musiyenko: "Not Only Dividing Up. New Aspects of Black Sea Fleet Talks"]

[Text] There is now a different president in Ukraine. But the problem of dividing up the Black Sea Fleet has not gone away.

The latest meeting of Ukrainian and Russian delegations at the CIS states' military cooperation coordination headquarters in Moscow lasted for two days. The Ukrainian delegation was headed by Vice Premier Yevhen Marchuk and the Russian delegation was headed by Yuriy Dubinin, the Russian Federation Foreign Ministry's special envoy.

"The meeting was held at our initiative," the head of the Russian delegation reported. "It sounded out, as it were, the mood and intentions of the Ukrainian side in the light of the warmer and more constructive relations between our countries that have begun to emerge with the election of Leonid Kuchma as president. We intend to discuss more specific matters at the next stage of the talks."

Yuriy Dubinin also noted that new notes had been struck by the Ukrainian representatives during the meeting—that it is necessary not simply to divide up the Black Sea Fleet into two fleets but also to consider their subsequent cooperation and the joint use of coastal infrastructures by both countries' sailors.

Incidentally, shortly before this—11-12 August—Yu. Dubinin and the other members of the Russian state delegation in Kiev took part in the elaboration of a treaty of friendship, cooperation, and partnership between Ukraine and Russia. It was possible to prepare the overall draft in record time—just two days. Now it only remains to polish the details—which, clearly, will be done in the first half of September. The Russian Federation president's first visit to the capital of independent Ukraine will take place slightly later (a precise date has not yet been set). During the visit it is planned to sign a treaty of friendship and finally decide the Fleet's fate.

Gas Supplier Will Not 'Pull the Plug' on Ukraine

MM1908104994 Moscow TRUD in Russian 19 Aug 94 pp 1-2

["Topical Interview" with R.I. Vyakhirev, chairman of the board of the Gazprom Russian Joint-Stock Company, by Gennadiy Yastrebtsov; place and date not given: "Ukraine Will Receive Gas. But Not Free of Charge"]

[Text] TRUD has already reported that Russian and Ukrainian government delegations have held talks in Kiev, during which they discussed the problem of clearing Ukrainian customers' debts for natural gas supplied by Russia. On his return Russian delegation head R.I. Vyakhirev, chairman of the board of Russia's Gazprom joint-stock company, gave our newspaper an exclusive interview.

[Yastrebtsov] Rem Ivanovich, how did the talks go?

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[Vyakhirev] I must say that they were very difficult. One of our main aims was to find real ways of getting money for the gas; after all, only 20 percent of our deliveries have so far been paid for. If you want me to give the figure, Ukraine's debts have topped $1.2 billion. What supplier would send its output to a customer free of charge? Clearly a well-organized mechanism for mutual settlements must be urgently formulated. We were looking for this kind of mechanism long before our trip to Kiev. Our specialists have formulated a package of concrete proposals for discussion at the talks.

[Yastrebtsov] Were counterproposals submitted by the Ukrainian Government, ministries, and departments?

[Vyakhirev] In my view, they are not very well organized or well conceived. I even got the impression that some leaders had no idea at all of the gigantic dimensions of the debts to Gazprom.

We said this during a meeting with Ukrainian President Leonid Kuchma and discussed an even wider range of issues, the main one being the expansion and deepening of mutually beneficial cooperation.

[Yastrebtsov] During the talks were you conscious of your opponents' having the attitude that Russia intends to dictate rules of conduct to independent Ukraine by freezing gas shipments?

[Vyakhirev] That idea did creep into questions asked by some local journalists, but not during business discussions with specialists. Everyone realizes that no one is about to "pull the plug," much less deprive cities and villages of heat. Ukraine will receive gas, but it is a question of civilized economic relations that naturally mean timely payments.

We set ourselves another important goal at the talks—that of telling consumers directly how we are now doing this, in Germany for instance. There is the idea of creating a joint Ukrainian-Russian industrial-financial company. What is the point of that? Today Ukraine's laws do not make it possible to privatize gas pipelines. Therefore it is necessary to seek other ways and means, in particular discuss the creation of similar joint companies. This decision incidentally won Leonid Kuchma's backing. The industrial-financial company must manage the system of gas pipelines and allocate gas among solvent customers. And it is time to rid the state of the worry of seeking means of payment; that is not its business. Thus the market will itself regulate relations between the supplier and the client.

Foreign Ministry Denies Hampering Tajik Accord

LD1808200894 Moscow ITAR-TASS World Service in Russian 1408 GMT 18 Aug 94

[By ITAR-TASS diplomatic correspondent Andrey Shtorkh]

[Text] Moscow, 18 Aug—"Russia's position on the issue of an inter-Tajik settlement is well known. The swiftest peaceful settlement of the situation in Tajikistan accords with our interests and the interests of the people of that country." This was stated today by Grigoriy Karasin, director of the Russian Foreign Ministry's press and information department. Speaking at a briefing for Russian and foreign journalists, he responded to "the attempts recently undertaken, particularly in Tajik opposition circles, to give a one-sided and essentially distorted interpretation of the state of affairs regarding the inter-Tajik dialogue and endeavor in a one-sided way to cast a shadow over Russia's role and its actions."

"We firmly advocate a continuation of the dialogue between Tajikistan's Government and the opposition, the holding of the third round of negotiations without delay, and a fruitful outcome to the negotiations," the Russian Foreign Ministry official spokesman pointed out. "Russia is pressing for the achievement in the talks under UN auspices of accords that would end all hostile actions and would specify the conditions for the opposition's guaranteed participation in the country's political life and ensure a normalization of the situation in Tajikistan and its progress along the path of democratic transformations."

It was Russia that facilitated in every way the start of the inter-Tajik negotiations, the first round of which was held in Moscow, G. Karasin recalled. We assisted greatly too with what was achieved by the sides during the following round in Tehran. Now too the Russian side has been actively and consistently striving for a resumption of the dialogue, he pointed out, noting that this position was explained to the UN secretary general's special envoy, who visited Moscow recently, and also to the American side and representatives of the European Union. This approach on Russia's part was reaffirmed during the working visit to Moscow on 16 August of Tajik Supreme Council Chairman Emomali Rakhmonov, the Russian diplomat added.

The reason for today's statement by G. Karasin was the recent claims that the Russian side had hampered the signing during the Tehran round of negotiations of an agreement on a ceasefire and the halting of other hostile actions. According to Karasin, attempts are also being made to blame Russia for the fact that the UN secretary general suspended the mission of his special envoy on Tajikistan and in general for the present uncertainty about the holding of the next round of inter-Tajik negotiations.

"All attempts to present our policy line in a false light are doomed to failure," Karasin emphasized. "We shall continue to pursue it. It is now necessary to look to the future and strive to step up the search in all areas for ways to achieve a peaceful resolution of the present situation in the region, using all available possibilities."

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Tajik Talks To Focus on Security, Border Issues

MM1808131194 Moscow KRASNAYA ZVEZDA in Russian 18 Aug 94 p 3

[Report by Vitaliy Strugovets from "Events and Commentaries" roundup: "Tajikistan Supreme Council Chairman Emomali Rakhmonov Has Come to Moscow for Financial, Political, and Military Help"]

[Text] Despite the fact that virtually no information on the talks between Russian Federation Government Chairman Viktor Chernomyrdin and Emomali Rakhmonov has been disclosed, the majority of observers are united in the view that Tajikistan's head has come to Moscow for more than just a discussion of the problem of granting credits to the Republic of Tajikistan and that republic's entry into the ruble zone, as suggested by official reports. It is most likely that the main topic was a political question: Russia's support for the incumbent leadership in the Central Asian republic and the rendering of every possible assistance for the forthcoming 25 September elections. This is indicated both by the composition of the delegation, where second-in-command was Minister of Economy Rustam Mirzoyev, and the working meetings held by them in Moscow.

As for the latter, the conversation between Emomali Rakhmonov and Colonel General Andrey Nikolayev, commander in chief of the Russian Federation Border Troops, undoubtedly warrants particular attention. Proceeding from the assumption that the position on the Tajik-Afghan border is the Achilles' heel of the policy of the current leadership of the Republic of Tajikistan, it is not surprising that the head of the Federal Border Service of Russia turned out to be the only one, aside form Chernomyrdin, with whom Rakhmonov held a meeting behind closed doors. Talk at this meeting, naturally, centered on strengthening border security, particularly now, on the eve of the elections, when the opposition is stepping up its activities.

Incidentally, in answer to my question on the political situation in the country, the head of Tajikistan noted that the republic's government is trying not to exacerbate it, and is not conducting a broad-scale operation against the armed opposition. "We are trying to resolve all issues by peaceful means: We are holding legal and nonlegal talks with the leaders of the armed groupings. Therefore, I do not think that there will be major disturbances within the republic, but tension on the border is increasing, as we expected."

It is difficult to say how far Rakhmonov's mission has succeeded. But it should not be expected that the Russian Government will meet all his requests unconditionally, insofar as Tajikistan long ago moved from being a "trouble spot" to being a "festering sore" in the vicinity of which even Russia feels less than comfortable.

Foreign Ministry Protests Afghan Border Attacks

LD1908080594 Moscow ITAR-TASS World Service in Russian 0645 GMT 19 Aug 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow, 19 Aug— The Russian Foreign Ministry made a decisive protest to the authorities of the Islamic State of Afghanistan today. The Russian Foreign Ministry demanded that the Afghan leaders immediately take effective measures to prevent provocatory activity by armed groups from Afghan territory against sub-units of the Russian border troops guarding the Tajik-Afghan border.

The Russian Federation Foreign Ministry statement stresses that Afghanistan bears the full weight of responsibility for the consequences of the armed provocations on the border. The statement followed fighting on the Tajik-Afghan border, which led to losses being sustained by sub-units of the Russian border troops.

Russia 'Forced' To Mark Estonian Border

MM1808123994 Moscow KRASNAYA ZVEZDA in Russian 18 Aug 94 p 1

[Report by Vitaliy Strugovets from "KRASNAYA ZVEZDA and News Agency Correspondents Report" roundup: "Estonia Does Not Want Unilateral Border With Russia"]

[Text] Estonian Prime Minister Mart Laar lodged a protest with Russia's ambassador 16 August in connection with the unilateral demarcation of the border between the two states, and demanded that the work in hand be halted.

Replying to my question on today's state of affairs on the Russian-Estonian border, Major General Aleksey Kozhevnikov, deputy commander in chief of the Russian Federation Border Troops and chief of the International Treaty Directorate, emphasized that Russia was forced to embark on this step in the light of illegal territorial claims by Estonia. The unilateral demarcation of the border, he noted, is envisaged by the Russian Federation Law "On the State Border" and does not contradict international legal norms. Incidentally, we demarcated the border with Japan and part of the border with China in similar fashion. As for Estonia, Aleksey Kozhevnikov said, we are prepared to continue talks with it on the delimitation of the border.

Russia Disagrees With Estonian Territorial Claims

LD1908122894 Moscow INTERFAX in English 1034 GMT 19 Aug 94

[Text] Russia will not ask the International Court to consider the problem of Russian-Estonian border.

Deputy-Director of the Russian Foreign Ministry's Second European Department Aleksandr Udaltsov told

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Interfax that Russia was not going to dispute the current border. "The International Court considers disputable issues only upon the application of both sides and in the presence of the subject of a dispute. There is no subject of dispute on our part," he said.

Estonia, which is laying territorial claims on Russia, proposed that the dispute be considered by the International Court in the Hague. Estonia insists on restoring the borders, documented in the Tartu peace treaty of 1920 under which about 2,000 square kilometers of historically Russian territory was passed over to Estonia. Russia considers this agreement to be unfair and invalid after Estonia became a Soviet republic.

Udaltsov denied reports that Russia was demarcating the border with Estonia. Demarcation is a bilateral process. But we have to draw the border line unilaterally in accordance with the presidential decree, he said.

Ministry Urges Bosnia To Avoid Escalating Conflict

LD1808140094 Moscow ITAR-TASS World Service in Russian 1304 GMT 18 Aug 94

[By ITAR-TASS diplomatic correspondent Andrey Shtorkh]

[Text] Moscow, 18 Aug—The Russian Foreign Ministry today called upon the sides participating in the Bosnian conflict to show responsibility and restraint and to immediately put a stop to all actions capable of leading to an escalation of the armed confrontation in Bosnia-Herzegovina. As Grigoriy Karasin, director of the information and press department of the diplomatic department stated at a briefing for Russian and foreign journalists, Moscow is observing "with bewilderment and alarm how the authorities of the Moslem-Croat formation, who in Geneva gave their consent to the plan for a peace settlement worked out by the 'contact group,' are turning to more and more active combat operations."

Over the past two weeks a major offensive has been undertaken in a sector north of Sarajevo and Serbian positions in the Brcko region have been subjected to mass shelling, the Russian diplomat said, stressing that "the actions of the armed forces of the federation have not remained unnoticed by the representatives of the UN peacekeeping forces in Bosnia." G. Karasin highly appraised "the decisive warning" which General Michael Rose, commander of the UN "blue beret" contingent, gave to the Moslem-Croat side in connection with the violations of the prohibited zone in the Sarajevo region.

"We welcome the active position of the UN protection forces (UNPROFOR) and the efforts made by Yasushi Akashi, the UN secretary general's special envoy, who held talks with the Sarajevo leaders and urged them to end their offensive operations," the Russian Foreign Ministry's special representative stressed. In his opinion, "such actions by the Moslems and Croats undoubtedly suit those forces among the Bosnian Serbs who place their stakes on the military path of solving the problem and complicate the development of positive processes that were initiated by Belgrade's decision to approve the peace plan."

Japanese Official Says Debt Will Not Be Forgiven

LD1808171494 Moscow ITAR-TASS in English 1519 GMT 18 Aug 94

[By ITAR-TASS correspondent Vyacheslav Bantin]

[Text] Tokyo August 18 TASS—Western countries will hardly agree to write off Russia's foreign debts, an official of the private Tokyo Bank's Department for Russia and East European Countries, Mitzuhiro Nagano, said in an interview with TASS on Thursday.

He commented on yesterday's statement by the Russian minister for foreign economic relations, Oleg Davydov, who said foreign creditors should forgive at least part of Russia's massive debts in recognition of its contribution to disarmament.

"To justify his point of view, the Russian minister refers to the examples of Bulgaria and Poland, for whom half the debts have been written off recently. But Russia is a great power and therefore should be compared with such countries as Bulgaria and Poland," the Japanese official noted.

Mitzuhiro Nagano, who for a long time coordinated negotiations between a pool of Japanese companies with Russia on Moscow's foreign debt, also pointed to the problem of hard currency "flight" from Russia. "In fact, Russia has sufficient reserves of hard currency," the official said. "The problem is inadequate control of Russian currency resources by authorities," he noted.

Commenting on the Russian minister's statement, an expert of a research institute under the Association for Assistance in Trade with Russia and East European Countries, Itaru Otowa, told TASS this statement aimed, in particular, to exert pressure upon Western parties to the talks on Russia's debt within the framework of the Paris Club of creditor countries.

"It cannot be ruled out that the government makes this sort of statements to demonstrate its tough course to the Russian Parliament, in which hardliners are rather strong," the expert said.

Continued U.S. Cooperation in Mideast Peace Sought

LD1908063394 Moscow ITAR-TASS World Service in Russian 1704 GMT 18 Aug 94

[By ITAR-TASS diplomatic correspondent Andrey Shtorkh]

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[Text] Moscow, 18 Aug—Viktor Posuvalyuk, a special envoy of the Russian president, will set off on a tour of Lebanon, Syria, Jordan, and Israel on 19 August, Foreign Ministry spokesman Grigoriy Karasin told Russian and foreign journalists today. During the tour, Posuvalyuk will discuss problems linked to a Near East settlement. Karasin told the briefing that "Moscow will continue to treat as a priority the development of events in the Near East peace process." Describing the progress in attaining the settlement in the region, Karasin said that while tangible progress has been made at the Israel-Jordan talks, "the Syria-Israel talks are clearly lagging behind, marking time." Karasin said "Russia is satisfied that both co-sponsors—Russia and the United States—are moving in the same direction—toward a final goal of attaining a comprehensive and just Arab-Israeli peace." Moscow hopes Posuvalyuk's trip to the Near East will make it possible to expand practical cooperation between the Russian co-sponsor and regional parties in the Near East peace process, Karasin said in conclusion.

Military Cooperation With Iran To Continue

LD1808191794 Moscow INTERFAX in English 1452 GMT 18 Aug 94

[From the "Diplomatic Panorama" feature: Reports by our diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[Text] Russia does not intend to "sharply curtail" military-technical cooperation with Iran, a high-ranking official of the Russian Foreign Ministry said in an interview with Interfax.

He said that in the sphere of arms delivery Moscow is carrying out the obligations assumed by the USSR. "We carry them out properly and we see no reasons why we should refuse from this cooperation. Russia transfers the appropriate information on arms, including their delivery to Iran, to the United Nations for its register on conventional weapons," the diplomat stressed.

The Russian diplomat denied the statement of the U.S. Administration saying that Russia delivers to Iran some technology of dual purpose. "While putting forward such unfounded accusations and seeking that Moscow stop its military cooperation with Tehran Washington wants to undermine Russia's positions on the Iranian market," the diplomat said.

"The United States has always and everywhere been defending the interests of its national business. That is why the United States hinders not only us but also other countries," the Russian diplomat said.

The Russian diplomat said he believes that this primarily concerns Germany and Japan exporting to Iran industrial equipment, computers hardware and software of high technology which can be regarded as the technology of dual purpose. "This is merely a competition. Before the Islamic revolution the United States was Iran's largest partner, primarily in the military sphere. The last contract for delivery of U.S. arms to Iran was about $10 billion. The scale of present military cooperation between Russia and Iran cannot be compared to this," the Russian diplomat added.

"Before the relations with Tehran were broken, the positions of the United States were also strong in all key branches of the Iranian economy, except the iron and steel industry where the USSR held the first place. The United States does not want to lose quite a large market of Iran and seek to ensure its positions for the future realizing that the present regime in Tehran is not forever," the Russian diplomat said.

The Russian diplomat said that violating the embargo on trade with Iran imposed by the U.S. Administration the United States continues to actively cooperate with this country through middlemen. He added he has information that last year the trade turnover between U.S. companies and Tehran nearly reached $5 billion of which $1 billion was for oil which the United States purchases from Iran through third countries.

"Given such facts it becomes clear why Washington keeps attacking its European contenders of which only Britain backs the hard anti- Iran line and others calmly cooperate with Tehran," the Russian diplomat said.

The Russian diplomat announced that recently a large group of European countries, including Germany, France, Switzerland, Italy, Netherlands and Japan had decided to alter the situation with the Iranian debts. "The United States was indignant but could do nothing," he added.

The Russian diplomat stressed that Moscow suffers the most from Washington. He said there are several reasons for this, including the disastrous economic situation in Russia, its geographical situation close to Iran, the enhanced cooperation with it, including that in the military sphere, etc.

Westerners Extracting Economic Data From Samara

MM1908084194 Moscow SOVETSKAYA ROSSIYA in Russian 18 Aug 94 p 2

[Report by V. Neverova: "Secrets from Questionnaires"]

[Text] Samara—Not every day but once a week so-called "potential" investors from abroad arrive punctually in Samara. Americans, Canadians, Swiss, and so forth—in short, "all the flags of the world fly here." They are received very cordially at the oblast administration and at local enterprises.

But here's the rub: These foreign gentlemen cart of with them kilos of technical documentation concerning the very latest research efforts so that, it is claimed, their specialists back home can evaluate projects and assess the benefits of investing capital in them; and then, as a rule, not a peep is heard out of the visitors. All that is

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remembered is that the visitors were brisk, businesslike, and smiling and that they spoke pretty good Russian. More than 20 officials from the military attache sections of various embassies have visited Samara in just a short space of time....

However, visits made on the pretext of likely investments or via diplomatic channels are still, as as were, in accordance with the rules of good form. But how many clearly targeted questionnaires have been distributed! The questionnaires of the German companies Payne Vebber [name as transliterated] and Minbaum, in particular, are very typical in this regard. You are asked to communicate in them not just the volume of output and the products manufactured but also to describe in very detailed fashion where your raw materials are supplied from and how they are transported, to provide data on suppliers of energy resources, and, in conclusion, to indicate the location of the plant on a plan of the city and attach photographs of its buildings.

How is all this regarded? A local journalist put this question to V. Bolshakov, chief of the Federal Counterintelligence Service's Samara Oblast Directorate. The general did not mince his words. "A complete mess!" was all he said.

Moscow Hopes To Supply DPRK Nuclear Plants

MM1908074194 Moscow KRASNAYA ZVEZDA in Russian 19 Aug 94 p 3

[Article by Manki Ponomarev: "United States-DPRK: First Step Taken. What Next?"]

[Text] The preliminary agreement reached in Geneva during the third round of U.S.-DPRK talks has attracted extensive attention. Nor is that surprising. Relations between these two countries, which had considerably exacerbated recently, threatened to develop into a wide-ranging conflict in which many states might have been embroiled. Now, even if this danger has not been entirely removed, it has at least been put off.

As a first step toward resolving the problems the DPRK agreed to put its nuclear program for the production of plutonium on ice in return for U.S. aid in acquiring a more modern, less dangerous system of nuclear power generation. At the same time the participants in the talks expressed willingness to open diplomatic missions in the two countries' capitals.

According to Robert Gallucci, assistant secretary of state for politico-military affairs, Washington remained satisfied with the results of the talks. But the lion's share of the work still lies ahead. The sides agreed to resume their official meetings at the end of September.

According to an official Russian Foreign Ministry spokesman, the results of the third round of U.S.-North Korean talks and the joint statement signed on the basis of their results were viewed with satisfaction by Moscow too. The accords enshrined in this agreement coincide in many respects with the steps that the Russian side suggested discussing and implementing within the framework of an international conference on security and the nuclear-free status of the Korean Peninsula. The Geneva agreement could be the basis for a comprehensive settlement of the problems here. The Russian side was and remains committed to precisely this comprehensive approach to unraveling the complex Korean knot.

Thus, the first step has been taken, but it is still too early to bang the drums. First, the United States will continue to insist that an all-embracing settlement depends on whether the DPRK fully accepts the demands of the International Atomic Energy Agency [IAEA] with regard to ensuring nuclear safety and authorizes a special inspection of the existing nuclear waste burial sites. Although Pyongyang has also expressed its agreement in principle to the concept of special IAEA inspections, the question of the dates of these inspections has not yet been clarified.

Second, the DPRK is willing to put on ice its program for graphite nuclear reactors, originally supplied by the Soviet Union and manufacturing plutonium suitable for nuclear weapons production. But in return Pyongyang is demanding guarantees from the United States that it will be supplied with light-water reactors, which do not produce weapons-grade plutonium, and provided with alternative sources of power altogether. Washington is willing in principle. But the following question arises.

Until recently it seemed to be thought that the DPRK would get new reactors from Russia but that the United States, as well as South Korea, Japan, and possibly certain other countries, would fund these deliveries. However, that only lasted until the question of replacing the North Korean reactors began to get onto a practical footing. And here it transpired that no one wants to give Russia this opportunity. After all, the reactor replacement program is worth nigh-on $4 billion, and the U.S. partners have no intention of losing that. And Moscow is keeping quiet, apparently hoping that this tasty morsel will not slip from its grasp. Perhaps our Foreign Ministry should not have rushed to express its delight at the results of the Geneva talks?

Be that as it may, there has been progress in settling the problems of the Korean Peninsula. The next step will be taken when the DPRK and the United States are able to reach agreement on the fuel rods removed from the North Korean reactor at Yongbyon. The United States believes that reprocessing them could provide Pyongyang with enough plutonium to manufacture four nuclear bombs.

Will this step be taken at the upcoming fourth round of talks?

Yeltsin Sends Message of Support to Cambodia

LD1808132894 Moscow ITAR-TASS World Service in Russian 1240 GMT 18 Aug 94

[By ITAR-TASS diplomatic correspondent Andrey Shtorkh]

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[Text] Moscow, 18 Aug (ITAR-TASS)—In a verbal message to Cambodian leaders conveyed through the Russian ambassador in Phnom Penh, Russian President Boris Yeltsin stated his readiness to discuss specific issues of establishing and developing cooperation with Cambodia in the political, economic, legal, and other spheres, said Grigoriy Karasin, director of the Russian Foreign Ministry's information and press department, speaking to Russian and foreign journalists today.

According to the Russian Foreign Ministry's official spokesman, the Russian president's message confirms support for the course of the legally elected Cambodian Government toward attaining national reconciliation and preserving peace in the country as well as fully implementing the Paris agreements on Cambodian settlement.

B. Yeltsin stressed that, being one of the authors of the document, Russia assisted and will assist the Cambodian side in coordinating the international community's efforts to ensure final stabilization of the situation in Cambodia.

G. Karasin clarified at the briefing that the Cambodian leaders sent a message to the Russian president asking for Russia's political and diplomatic support for the measures taken by Phnom Penh in order to ensure Cambodia's security.

The director of the Russian Foreign Ministry's information and press department stressed at the same time that "Moscow is concerned over a certain aggravation of the Cambodian situation." Among the reasons for this concern G. Karasin quoted the fact that "the 'Khmer Rouges' grouping outlawed by the country's parliament is stepping up its military and terrorist activity."

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Political Issues

Gorbachev Says Present Ills Stem From August '91

LD1808124894 Moscow Radio Rossii Network in Russian 1000 GMT 18 Aug 94

[Text] One often hears it said that many of our problems and misfortunes, if not all of them, were caused by the collapse of the Soviet Union. As it happens, tomorrow is the third anniversary of the August events in Moscow, when a group of the country's highest leaders, now known as the putschists, tried, as they claimed, to prevent the collapse of the Union and, thereby, to save the country from the coming woes. One of the most active—or rather least active—participants in those events, Mikhail Gorbachev, claims that the putschists not only failed to prevent the great power's collapse but, on the contrary, accelerated the process. Here is what he said in an interview with the Radio Rossii news service:

[Begin Gorbachev recording] My position was clear. I was trying to steer a course between Scylla and Charybdis. I hoped to complete the Novo-Ogarevo [talks] process, to hammer out a new draft Union treaty and sign it. I don't say this was the ideal plan. However, we were on the point of signing a real treaty. But the treaty was wrecked. The country was placed in a position which resulted in processes which culminated in the Belvezhskaya Pushcha agreement. Along came the events of 3-4 October [1993] and now we are quite unable to cope with the situation. All this stems, to a significant degree, from August [1991] when this blow was struck against the country and the people were set adrift. That's the situation we have now. [end recording]

Gorbachev on Varennikov's Acquittal in Coup Trial

LD1908125394 Moscow INTERFAX in English 1034 GMT 19 Aug 94

[Text] Ex-president of the former Soviet Union Mikhail Gorbachev has stated that the acquittal of Valentin Varennikov, involved in the 1991 coup, does not justify the actions of the members of the State of Emergency Committee, for all the unusual nature of Varennikov's case.

"The coup was accomplished. Although the amnesty freed the members of the State of Emergency Committee from juridical punishment, the moral guilt rests with them," Gorbachev told Interfax.

He said he categorically disagreed with the assertions that the 1991 coup was a thing of the past.

"If we accept this, coups will be with us all the time," he said. "Perhaps those who demand clarity are right. We need clarity, especially in what concerns the events of August 1991 and October 1993. The State Duma might resume the discussion of whether amnesty is expedient," said Gorbachev. "But if for any reason the State Duma is not be able or does not want to consider the issue, a parliamentary investigation involving independent experts might be held."

Gorbachev said that "if we don't clarify everything in the sequence of bloody events that have shaken our country, we shall never become a democratic society."

Gorbachev To Head Democratic Alternative Movement

LD1908081494 Moscow ITAR-TASS in English 0718 GMT 19 Aug 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Krasnoyarsk August 19 TASS—Former Soviet President Mikhail Gorbachev intends to help create "a powerful movement, "Democratic Alternative", prompted by lessons he learned in August 1991 and an analysis of the present political realities in Russia.

Gorbachev said in an interview with ITAR-TASS on the eve of the third anniversary of the botched coup that he had come to a conclusion that "fussing and manoeuvring have been substituted for a really new policy" in Russia. This is what made him opt for "forming a democratic movement alternative to the present regime".

As concerns the lessons taught by the abortive hardliner coup in August 1991, Mikhail Gorbachev stressed that its gamble on "the state of emergency and rejection of democracy was the most dangerous way for Russia, it would have inevitably led to civil war."

The former soviet president is convinced as before that "if we had preserved the union on the basis of the already prepared (union) treaty, we would have been able to make effective use of the opportunities which arose in the wake of the political defeat of the anti-reformer forces".

Asked if he thinks another coup possible in the present conditions, the ex-president, who now heads the Gorbachev Fund, replied that "the officers' corps after August 1991 and October 1993, when the army was brought into a clash with people and humiliated, will not act against the people".

Nonetheless, "the absence of the changes in the policy, which were expected after the elections on December 12 last year and the Russian president's address to the Federal Assembly, may lead to an aggravation of the situation, and the have-beens will lose no time in taking advantage of the new situation to seize power".

Mikhail Gorbachev is apprehensive of the present Russian leaders' fondness of "great-power slogans borrowed [from] the opposition. [no closing quotation mark as received] "Ill-considered alliances and coalitions will do no good to the country's leadership," Gorbachev predicted.

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Lebed: '91 Coup 'Shameful Page' in History

LD1908103294 Moscow ITAR-TASS World Service in Russian 0521 GMT 19 Aug 94

[By ITAR-TASS correspondents Valeriy Demidetskiy and Andrey Palariyaj

[Excerpt] Moscow, 19 Aug—"There was no coup as such; what happened was a brilliantly planned, well implemented provocatory action on a massive scale without comparison, where roles were allotted to the clever and the fools. They all played their roles, consciously or unconsciously." This is how Lieutenant-General Aleksandr Lebed, commander of the 14th Russian Army, which is stationed in the Dnestr region, describes the events of August 1991. The army commander gave a detailed description of his attitude toward the events in the book "The Show Was Called a Coup." He said in an interview with ITAR-TASS that he has not changed his opinions and has no wish to comment on them again.

Aleksandr Lebed expressed the thought that this provocatory action "allowed many serious problems to be solved in one swoop: The CPSU was broken up, the power ministries were destroyed, and in the final analysis a great country—73 percent of whose citizens said unequivocally that 'the Union should exist' in a referendum in March 1991—was eliminated."

Aleksandr Lebed, who considers the August events a "shameful page in the history of the Russian state," told ITAR-TASS that he does not include himself among the defenders of the White House or among the active participants in what happened in August 1991. [passage omitted]

Analyst Sees No Prospect of Coup

MM1908123994 Moscow ROSSIYSKIYE VESTI in Russian 19 Aug 94 p 2

[Interview with Mark Urnov, a leader of the Expert Analysis Council and the Analysis Center under the Russian president, by ITAR-TASS observer Tamara Zamyatina "specially for ROSSIYSKIYE VESTI"; place and date not given: "Another Coup in Russia Not Predicted"]

[Text] The Expert Analysis Council and the Analysis Center have been set up under the Russian president and are already operating. Mark Urnov, one of the leaders of these new structures, talks about their work.

[Zamyatina] How is the work of the Analysis Center and the Expert Analysis Council organized? Who are their members?

[Urnov] The Expert Analysis Council's members include both Presidential Staff personnel and independent experts. The council sessions, chaired by S. Filatov, leader of the Presidential Staff, discuss the most acute political and economic problems. As a rule the discussion material is prepared by the Analysis Center. Besides this, the center makes political and economic forecasts, analyzes the situation in the regions, studies problems of interethnic relations, and makes recommendations to the president on all these questions.

The Analysis Center's plans in the near future include giving expert assistance in holding the October congress of representatives of parties, movements, trade unions, and all forces that signed the Treaty on Social Accord. This was the initiative of the Conciliation Commission for Implementing the Treaty, set up this summer in accordance with the Russian president's edict. Such congresses or assemblies could become regular. In the conditions of the transitional period society inevitably finds procedures and mechanisms of this kind either absent or imperfect. Actually their absence is one of the main signs of transition and one of the most important reasons for political instability in the transitional period. So the attention paid by the council and Analysis Center to these problems is quite understandable.

[Zamyatin] You will agree that subjective factors are also affecting society's instability. The ink on the Treaty on Social Accord hardly had time to dry when it was followed by Vladimir Shumeyko's proposal to review the constitution that had been adopted with great difficulty and to extend the present parliament's term of office. How do the Expert Council and Analysis Center under the president view this initiative?

[Urnov] We have not been given the special task of studying Vladimir Shumeyko's proposal by either the president or Sergey Filatov, leader of the Presidential Staff, although this problem has, of course, been discussed. There are various opinions on this subject. It seems to me that a deviation from the time periods and election procedures stipulated by the constitution is an extraordinary measure which is permissible only if approved by the whole of society.

[Zamyatin] How do you rate the opposition's chances in the coming presidential election?

[Urnov] The opposition is making intensive attempts to consolidate. But this is tall order for it, because the question of unity is ultimately a question of accepting a single candidate for the post of president. The opposition will have at least two competing contenders: Zhirinovskiy and Rutskoy. There could be even more opposition candidates, depending on how the situation develops in the Communist Party of Russia and the Agrarian Party.

As regards Zhirinovskiy, despite his activeness in regional tours the LDPR [Liberal Democratic Party of Russia] leader's rating is falling. This is because in the voters' eyes he is losing his attractiveness as a person outside the power structures. Furthermore, he has clearly exhausted the range of devices he used to acquire supporters during the preelection television marathon.

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Unfortunately, the so-called political center is extremely weak in Russia at the moment. The lack of influential centrist forces exposes democracy to serious danger. Given today's typical bipolarity of the main political forces, elections are turning into a kind of "Russian roulette" whereby society is choosing not between various forces within the democratic spectrum but between supporters of mutually exclusive models of development—the democratic and totalitarian models. In this sense democracy in Russia is experiencing a critical period. If democratic and reformist forces win the upcoming elections, that is to say if they obtain a vote of confidence for another four years, the process of market transformations and of developing democratic institutions in Russia will become really irreversible. But we are currently at a stage when a return to old ideology and a swing back toward stagnation-type economics and politics are possible. Herein lies the danger of the situation we are experiencing. It will take time and considerable efforts by reformers to weaken the rudiments of the totalitarian system and strengthen the shoots of democracy.

[Zamyatin] Do you not fear a new attempt to illegally replace the authorities because of the amnesty granted to members of the State Committee for the State of Emergency and to participants in last October's bloody events in Moscow and the not guilty verdict on Valentin Varennikov, who was an active supporter of the State Committee for the State of Emergency?

[Urnov] Despite the fact that the organizers of the August putsch and the initiators of the October bloodshed have gone unpunished, a coup in the country is practically impossible given the current political realities. Currently Russia lacks its own Napoleon or Pinochet. Besides, the regional and the capital's political and economic elites are not interested in coups. A sudden change of regime is essentially synonymous with a sudden change of elite. But there is enormous potential to block any coup at regional level.

[Zamyatin] What, in the opinion of your colleagues in the presidential Analysis Center, currently poses the greatest danger to society?

[Urnov] The coincidence in time of a whole range of processes and problems. Namely the weakness of centrist forces, about which I spoke earlier, society's growing distrust of all social institutions without exception, a certain ideological reverse in public opinion, the lack of unity among democrats, the growth of organized crime, the high social cost of reforms, and finally the increased activity in society of political movements openly calling for violence, terror, and ethnic discord. With their extremist publications and slogans they are raising the "temperature" of aggression. It is monstrous that such movements are allowed to exist and flourish in conditions of a fledgling democracy, despite the authorities' regular statements that this must stop. We are talking about the cynical violation of the Constitution, which cannot be tolerated. It is to be hoped that the most resolute measures will be taken in the near future to curtail the activities of extremist organizations.

Bakatin Urges Respect for Constitution

LD1908102094 Moscow ITAR-TASS in English 0907 GMT 19 Aug 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow August 19 TASS—The chief lesson of the coup d'etat in August of 1991 is the inadmissibility of digression from democratic forms of changing power, according to Vadim Bakatin, one of the active opponents of the coup plotters. Vadim Bakatin now works in the International Reform Foundation headed by Stanislav Shatalin.

According to Bakatin, "the struggle for power has not stopped either in Russia or in other former Soviet republics since August 1991 and has often taken on various, including tragic forms".

According to Vadim Bakatin, "he would not take it upon himself to assert that this struggle would be conducted only in accordance with the rules of democracy. The contrary is evidenced by both vociferous calls for early elections and statements about the need to put them off for a couple of years".

In this context Vladimir Shumeyko's proposal to amend the Constitution and extend the parliament's term is no more democratic than the opposition's ultimatums.

Commenting on the former political elite's attempts to prolong its term of power, Bakatin, a former member of the Communist Party's central nomenklatura, said he was surprised to see "the younger generation of politicians inherit the attitude of the former general secretaries and regional committee secretaries who regarded their posts as lifetime appointments".

"In order not to let questions about possible coups arise, the government must be more concerned not about its own struggle for self-preservation but about practical compliance with the Constitution and laws by everyone, themselves first of all," Bakatin said.

U.S. Support for Yeltsin in '91 Coup Recalled

MM1808144794 Moscow SOVETSKAYA ROSSIYA in Russian 18 Aug 94 p 1

[Unattributed report: "No Song Written!..."]

[Text] The real cause of the events of August 1991 has remained in the shadows. In the middle of June the USSR Supreme Soviet resolved to consider the question of vesting additional powers in the government in order to arrest the country's slide toward catastrophe. This seriously alarmed the "democrats'" camp. The then mayor of Moscow, Popov, rushed off to see U.S. Ambassador Matlock. What they talked about in private has

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remained a secret, but it was precisely after that meeting that the American ambassador took urgent measures to arm Boris Yeltsin, who was in the United States at the time, with an action plan in case of an emergency situation.

The second act of the tragedy was played out in August. It has only been learned comparatively recently, since the publication of a sensational article in the U.S. magazine ATLANTIC [MONTHLY], that U.S. President George Bush issued a directive to communications experts in the U.S. Embassy in Moscow to fit out Yeltsin's office properly with appropriate equipment, while on 18 August, immediately after the State Committee for the State of Emergency [SCSE] appeal to the Soviet people, Bush ordered that "real-time reports on the directives of the USSR defense minister and KGB chairman" intercepted by the American intelligence service be conveyed to Yeltsin—which he made use of. According to the Western press, he made clear to Soviet Army commanders that he knew about the SCSE's secret directives.

"To save Yeltsin," as Britain's THE TIMES wrote, the U.S. president committed a crime: He had no right to issue such directives without congressional approval. But how are you, then, to describe the actions of "August's victors"?!

No, there are no talented songs being written about Black August—the people cannot take to their heart a salute to crimes against the motherland! While the fact that August 1991 hastened Russia's tragedy—a tragedy egged on by the "best German"—is now acknowledged by everyone.

Yeltsin's Upcoming Political Schedule Detailed

MM1908093594 Moscow ROSSIYSKAYA GAZETA in Russian 19 Aug 94 Weekend Edition p 2

[Unattributed report: "Politics and Power: The 'New Year'—After the Vacation"]

[Text] The center of Russian power has shifted these days to the Black Sea coastal region of the Caucasus, or, more precisely, to Sochi, where Boris Yeltsin arrived Wednesday evening after completing a working tour of the country.

It is expected that, whilst there, Russia's president will discuss at the highest level issues pertaining to the "new political year" which begins after the vacations and the parliamentary recess. Evidently, representatives of Russia's top state leadership, including State Duma Chairman Ivan Rybkin, Defense Minister Pavel Grachev, Foreign Minister Andrey Kozyrev, and Labor Minister Gennadiy Melikyan, all of whom are in Sochi right now, will be among those talking with him.

According to Sochi Mayor Nikolay Karpov, Boris Yeltsin generally leads an active life in Sochi—he investigates the problems of the resort city, and he meets with labor collectives from Krasnodar Kray. It is clear that he will not depart from tradition on this occasion either. "But we do not intend to badger the president day in, day out—we will give him time to rest," Nikolay Karpov said.

The president himself, obviously, cannot think of relaxing without his favorite game. According to some information, an improvised tennis tournament involving Boris Yeltsin and other devotees of this game from among his entourage may take place this weekend. It is proposed that this tournament be held in the grounds of the sanatorium belonging to the "Rus" joint-stock company.

As for the future plans of the head of the Russian state, it is known that at the end of August he will head for Germany for events linked with the completion of the withdrawal from that country of Russian troops. Then, 3-4 September in Moscow, Boris Yeltsin will meet with People's Republic of China President Jiang Zemin. On 24 September Russia's leader will leave for Great Britain, after which he will deliver a report to the UN General Assembly and carry out an official visit to the United States.

On returning from across the ocean 29 September Boris Yeltsin will pay an official visit to Kiev at the beginning of October, during which it is planned to sign a Russian-Ukrainian treaty.

Yeltsin Edict on Compatriots Living Abroad

MM1808102594 Moscow ROSSIYSKAYA GAZETA in Russian 18 Aug 94 First Edition p 5

[Russian Federation president's edict no. 1681 "On the Basic Guidelines of Russian Federation State Policy with Regard to Compatriots Living Abroad"]

[Text] In accordance with the provisions of the Russian Federation president's message to the Federal Assembly "on the strengthening of the Russian state (basic guidelines of domestic and foreign policy)," guided by Article 80 of the Russian Federation Constitution, the norms of international law, and articles of Russia's bilateral and multilateral agreements with other states, and taking into account the proposals of the Russian Federation president's commission for questions of citizenship for supporting compatriots living abroad, I decree:

1. That by 1 September 1994 the Russian Federation Government must:

examine and approve the basic guidelines of Russian Federation state policy with regard to compatriots living abroad and also the list of priority measures to support compatriots in the CIS states and Baltic countries;

form a government commission for the affairs of compatriots abroad including in it representatives of the

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Russian Federation Government, the Russian Federation President's Staff, the Federal Assembly, and Russian Federation public organizations (by agreement).

2. The government commission for the affairs of compatriots abroad must:

coordinate the activity of federal organs of power and monitor the activity of ministries and departments in implementing the basic guidelines of Russian Federation state policy with regard to compatriots living abroad;

regularly inform the Russian Federation Government and the Russian Federation president of the course of the implementation of the basic guidelines of Russian Federation state policy with regard to compatriots living abroad.

[signed] Russian Federation President B. Yeltsin, Moscow, Kremlin, 11 August 1994.

Gaydar Believes Democrats Must Support Yeltsin

LD1808133494 Moscow INTERFAX in English 1053 GMT 18 Aug 94

[Text] Yegor Gaydar, leader of Russia's Democratic Choice, said he believes that at the coming presidential elections in 1996 all democratic forces must put forward the single candidacy of Boris Yeltsin. Gaydar said in an exclusive interview with INTERFAX that Russia now needs stability most of all, i.e. no sharp and unexpected moves and reshuffles.

"I don't like much of what is going on (in Russia) now. However, I perfectly understand, maybe better than anybody else, that we have gone through a very difficult period and I know that today we need five years of stability most of all," Gaydar stressed. He said he believes that President Boris Yeltsin is capable of ensuring such stability.

Gaydar said that an appropriate agreement with the leaders of the democratic parties and movements such as Boris Fedorov, Sergey Shakhray, Grigoriy Yavlinskiy, the Democratic Russia movement and others could be reached.

"I believe that all of them must realize their responsibility before the country and face reality. I am sure that they will have enough civil courage to make the right decision," Gaydar said. He announced that consultations with various democratic organizations had shown that all of them are willing to hold a national congress of democratic forces. However, the participants in the consultations considered it unreasonable to hold the congress in early December, as had been planned. They said more time was needed for proper preparations. Gaydar announced that the exact date for the congress had not been fixed yet. However, many representatives of the democratic organizations believe that it should be held next summer.

Fedorov Tops Poll as Favorite for President

MM1808104594 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 18 Aug 94 p 1

["Open radio" report: "Station for One"]

[Text] Who do the passengers and workers at the capital's Paveletskiy and Savelovskiy railroad stations want to see as Russian president? They were asked that question by specialists from the independent institute of applied political science. Svyatoslav Fedorov collected the most votes. He is followed by Boris Yeltsin and Grigoriy Yavlinskiy. Fourth is Aleksandr Lebed. Next, in descending order, are Yegor Gaydar, Aleksandr Rutskoy, Vladimir Zhirinovskiy, Konstantin Borovoy, Sergey Shahkhray, and Viktor Chernomyrdin. oscow Mayor Yuriy Luzhkov came 14th. Aleksandr Barkashov and Stanislav Terekhov close the list. They came 20th and 21st.

Federation Council's Viktorov Discusses Chechnya

LD1808160994 Moscow INTERFAX in English 1225 GMT 18 Aug 94

["Exclusive" report No. of 33]

[Text] Konstantin Katanian of Interfax has discussed pressing political and economic problems with the Deputy Chairman of the Russian Federation Council (the upper house of parliament) Valerian Viktorov.

INTERFAX: Despite the relative summer lull, there is no complete calm in politics or economy. We have got used to that during the past few years. The situation in Chechnya has become the most pressing political problem. How do you think relations with it should be settled?

VIKTOROV: I have less to do with relations with the Chechen Republic because the powers of deputy chairmen of the chamber have been divided so that Ramazan Abdulatipov is in charge of questions related to federal structures and conflicts in the Caucasus.

But as I am the only leading member of the Federation Council now staying in Moscow, I have had to deal with that problem too. In any case there have been calls from the Kremlin and from the government asking about my personal opinion on the issue.

The Federation Council has not discussed relations between Russia and Chechnya separately, therefore there is no official stance of the house on the matter. But to a certain extent we raised the question when we discussed the introduction of the state of emergency in the conflict zone between North Ossetia and Ingushetia.

It is an open secret that the explosive situation was triggered off by the disintegration of the Chechen-Ingush republic into two largely unequal parts. Chechnya got

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most of the industry and natural resources, while the Ingush Republic was left actually empty-handed. That can be compared to a situation when people run out of a house on fire in what they happened to be wearing. And I do not think that it is very useful now to start finding out who was right or wrong in this situation.

Many of the peace-makers who are now trying to settle the conflict played an unseemly role in relations with Chechnya. I will not mention any names. They are very prominent people: some in power, others no longer in power but trying to benefit from the conflict, gain political capital and return to big- time politics.

I think that the fanning of hysteria in Chechnya will not lead to anything good for the simple reason that many of us, including decision-makers, are simply barred from objective information about what really happens there. Our opinions of the situation in Chechnya are often based on what we are being shown.

Sometimes the developments in Chechnya remind me of what happened here. I have the feeling that this is also a fairly well-organized theater show, or probably even a form of a provocation.

I have doubts about people living in Moscow who suddenly declare themselves a provisional committee responsible for the entire situation in Chechnya. Then they are joined by the former speaker of the Supreme Soviet (Ruslan Khasbulatov) who travels there and announces that he is ready to become a messiah, the man who will lead the Chechen people along their very special road.

INTERFAX: Mr.Abdulatipov also thinks that Ruslan Khasbulatov cannot act as a mediator in a conflict in which he is directly involved and that the peace-making efforts of the former speaker can have sad results.

VIKTOROV: It is enough that we already have one hot spot in the North Caucasus, I mean the Ossetian-Ingush conflict. If Chechnya adds up to that, another Caucasian war might break out, God forbid.

It is not clear to me at all why we still tolerate it that a member of the Russian Federation that has not officially left it and is inscribed in the constitution acts so outrageously with regard to our indivisible state.

All oil pipelines from Chechnya cross Stavropol and Krasnodar regions, i.e. russia proper. And oil is the main source of foreign currency and the main source of financing all of Dudayev's campaigns, including the campaign against Russia.

Couldn't we have simply turned off the taps on the pipelines at the necessary moment and make the economic isolation of Chechnya such as to make it come to a little?

INTERFAX: Politicians and experts are discussing three possible ways of resolving the problem: military which is the most undesirable, economic which you just mentioned and legislative which implies the adoption of legal documents settling relations with Chechnya.

VIKTOROV: That is right. I think that the combination of the second and third options should lead to some radical changes in relations between Chechnya and Russia.

Do you remember how the atmosphere of relations between Tatarstan and Russia and later Bashkortostan and Russia was aggravated? Thank God, the leaders of the Russian Federation had the reason, political foresight and probably even courage to give up some of their ambitions, the big and little brother relationship. We sat down to the negotiating table and as a result managed to divide powers between federal and local bodies.

I think that this is a truly fruitful road even though it is unpopular among the leaders of other federation members, primarily the leaders of Russian territories and regions.

When the process of signing bilateral treaties between the federal government and republics began, unpleasant comments immediately followed hinting that the federal leadership is again trying to divide federation members into first and second rate ones. It was claimed that republics would remain elite, privileged formations within Russia, while regions would again be left out.

Generally I do not share this view even though such opinions probably must be taken into account. I perfectly understand regional leaders. I think powers should be clearly divided between the federal government and federation members.

There simply is no mechanism of implementing the Federal Treaty, an effective mechanism of dividing powers, primarily on matters of common competence. There always are arguments and conflicts, if rights and duties are not spelled out clearly.

On this matter the republics are one step ahead while territories are somewhat lagging behind and that explains why the latter feel a bit ill at ease. I think this is a drawback that can be easily fixed: the process of negotiations just must be placed in a certain timeframe.

The same applies to relations with Chechnya. I think that first of all the sides should sit down to a negotiating table. And this requires the admission that in the Chechen republic there is now only one leader to be taken seriously - President Dudayev. Whether we like him or not, whether we like how he acts or not, but if we really want to resolve the problem peacefully, we must agree with him.

INTERFAX: Do you think it is possible to agree with him?

VIKTOROV: I do not know whether it is possible, though in general it is possible to agree with any reasonable person, I think. It is impossible to reach agreement only with an absolute idiot.

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It is a different question who is going to be the chief negotiator. Just look, every time our side makes an attempt to negotiate or figuratively speaking invite to dance, we choose a different person as our partner. Hardly certain rapport appears, we change the partner.

In everyday life this might be good. In such cases the French say:"It is better to change mistresses, than shift the bed." But in this situation it is probably better to shift the bed without changing the people with whom we negotiate. Just look: almost everyone has been a negotiator. Even people who had no powers.

I think a sufficiently influential person should be placed in charge of the talks, a person close to the president, the government and the Federal Assembly. There are such people.

It should also be taken into account that the Chechen side has developed an allergy against some of our politicians. For instance, if they cannot stand Shakhrai, why should we impose him on them? The only reason there could be for such a move is to wave a red cloth in front of a bull and stab the animal when it rushes forward.

On the other hand, I think in addition to purely political means we should use economic levers more resolutely. I think that money, financial possibilities can be much more effective in influencing an opponent, in making him accept a certain decision. Unfortunately, we do not use this economic factor almost at all.

INTERFAX: In addition to Chechnya we have two more hot spots, so to say. I mean Bashkortostan after the flood and Dagestan with the cholera epidemic. Do you have to deal with these problems?

VIKTOROV: Of course, I have to. As for Dagestan, the situation is really very serious. Unfortunately, we have not managed to localize the epidemic. There is even talk of forming a medical cordon with appropriate checkpoints and regulations.

The disease came from the lower reaches of the Volga and it might return to Astrakhan and neighboring regions. I had to discuss the matter seriously with top executives in those areas. We spoke of the steps that must be taken to prevent the spreading of cholera.

The Ministry for Emergencies is taking important moves. Additional spending has been assigned from government reserves, medicines have been purchased. But I would want to stress that we have failed to localize the situation, probably because of complete neglect for sanitation requirements in Dagestan.

It is impossible to teach people in a couple of days to wash their hands before meals, to wash fruit and vegetables and to eat only well-cooked food. People learn that with their mother's milk.

INTERFAX: What do you think about the flood in Bashkortostan?

VIKTOROV: I do not want to be malicious, but one comes to think that during the past few years the leaders of republics carried away by their political battles for sovereignty against the federal government simply forgot about routine matters.

An earthquake, the eruption of a volcano are natural disasters. But one can prepare even for them. Think of the earthquakes in Los Angeles and Spitak. They were comparable in power, but what a difference in the scale of destruction and human losses. Los Angeles prepared for the underground tremors: it built appropriate quake-proof houses, bought equipment and formed rescue teams. Armenia was absolutely unprepared, even though it is a seismically similar area.

INTERFAX: Our leaders can always account their mistakes to the shortage of money.

VIKTOROV: Yes, now they will justify themselves and demand compensation for the damages from the federal government. People must be helped, they are not to blame for the fact that politicians were busy with their own affairs and thought of public benefit least of all. But look at the new hole in the federal budget when we spend additional, unplanned money on aid.

INTERFAX: You mentioned budget problems which directly affect the Federation Council. Will the 1994 federal budget have to be revised?

VIKTOROV: Absolutely. This must happen not because we approved a bad budget or because we are so illiterate that we cannot count to ten or add up or multiply. No, there are objective reasons for that: financial instability and the industrial slump have not been stopped, tax-collection is extremely ineffective.

The revenue will have to be altered because in the first five months of the year the government failed to collect 3.7 trillion rubles or 55

of total debts.

Now mutual debts total 70 trillion, while the revenue of the 1994 budget should be 120 trillion.

Bashkortostan and Tatarstan, by the way, are among the greatest debtors.

INTERFAX: But the Bashkir President Murtaza Rakhimov categorically denies that saying they have calculated everything and discovered they do not owe anything to anyone.

VIKTOROV: They calculated and said they do not contribute to the federal budget but instead cover the spending of all federal bodies. However, in addition to supporting federal bodies and certain programs in the territory of Bashkortostan they must compensate for common spending on the army, the protection of borders, government bodies. Who is going to pay for them? So their answer is cunning.

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INTERFAX: Will the size of budget spending also be changed?

VIKTOROV: Spending is going to be increased on social programs and the military-industrial complex.

Fundamental work is under way in the budget committees of the two houses to this end.

Recently we held parliamentary hearings on the operation of banks. Unfortunately, not everything is alright here. The Federal Treasury checked 3333 banks discovering 13,177 instances in which banks delayed the payments of taxes to the federal budget. The payments held back by banks totalled 55 Bn rubles. This means that the banks used the money of tax-payers for making a quick buck while the budget was robbed once again. The time of holding back the money ranged from three days to several months. It can be said that banks actually got low-interest loans, or to be more exact with no interest.

That is why we are going to return to the matter when we debate the new tax legislation. By the way, a whole package of tax laws has been drafted.

But the most important thing today, in my opinion, is to work out the concept of law-making according to which the parliament will function in the future. As soon as we get a clear idea of what we want, it will be easier for us to adopt the enormous amount of laws we need today to form a law-governed state. We have very little time for that.

INTERFAX: Do you agree with the Chairman of the Federation Council Vladimir Shumeiko that parliamentary elections should be postponed?

VIKTOROV: I do. They should be put off. There are 1500 to 2000 laws regulating life in any law-governed state. That is the legal space of the state. After we closed the door to our past and adopted the new constitution we actually wiped out our old legal space and have to form a new one.

The Russian Supreme Soviet passed some 400 laws in a little over three years. In six months the Federal Assembly passed 80. If we need 2000, how long should we work? How much experience should we gain?

For this reason elections should be put off. Not because we are such fine people but because in a year probably better, but less prepared people will come to replace us. There has been no place in this country for training MPs. We will learn to write laws properly only by the second year of our term. And if parliament is dissolved at that moment and new elections held, we will only lose time. You must agree that experience of parliamentary work is a very valuable [sentence incomplete as received]

INTERFAX: I am curious about your attitude to the MMM scandal.

VIKTOROV: It was an absolutely fantastic machination which has been described by classics.

O'Henry has a good story about it, Ilf and Petrov in "The Golden Calf" had a perfect example - "The Horns and Hooves" firm. Mr.Mavrodi and Mr.Koreiko (an illegal millionaire from "The Golden Calf") are like twin brothers.

There have been pyramid gambles in other countries, too. The main thing is to get out on time. The one who quits first, gets the most.

Such tricks were extremely popular in the USA. But today they are banned in over 40 states. In some states persons launching such schemes can be fined $2500 or even jailed. There is a loophole in our legislation here.

The problem is that the government could do nothing to MMM corporation because we do not have a law that would force them to stop the gamble.

Neither do we have a law that would regulate relations between the government and the media in the sphere of advertising. As a result Russian people are making the same mistake twice.

It is impossible now to pass proper legislation at once, because the Federal Assembly is in recess. The only solution would be a presidential decree that could be issued to close the gap in legislation. The government would be interested in such a decree most of all.

That is not the last fraud. What are all our privatization voucher foundations worth? They are also potential candidates for a similar scandal. How can one advertise dividends of 1500

in advance? That is shear madness. It is clear that people are simply being fooled. The new pyramid gamble will have a sad end. IF Note: The Deputy Chairman of the Federation Council Valerian Viktorov, b. 12.08.1951 in Kanash, Chuvash Autonomous Republic, 1973 - finished the physics department of Chuvash University, 1981 - the historical department, 1978-1990 - several posts at the Economics Research Institute in Yoshkar-Ola, 1990 -Minister of Economics of Chuvashia, 1992 - Prime Minister of Chuvashia, December 1993—member of the Federation Council.

Married, three children. Hobbies: accordion, basketball, jogging, mushroom-picking.

International Treaty Procedure Modified

MM1908090994 Moscow ROSSIYSKAYA GAZETA in Russian 18 Aug 94 First Edition p 5

["Official Clarifications on Questions Concerning the Procedure for Concluding Russian Federation International Treaties of an Interdepartmental Nature," signed by R. Orekhov, chief of the State-Legal Administration of the Russian Federation President, and S. Krylov, deputy minister of foreign affairs of the Russian Federation, and dated 18 May and 26 May 1994 respectively; followed by Voldemar Koreshkov "Commentary": "Each in His Own Way"]

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[Text] 1. Proposals on the conclusion of Russian Federation international treaties of an interdepartmental nature are submitted to the Russian Federation Government by federal organs of executive power in respect of issues falling within their competence in conjunction with the Russian Ministry of Foreign Affairs or by agreement with it, and also by agreement with other interested federal organs of executive power.

2. Decisions on holding talks on the conclusion of Russian Federation international treaties of an interdepartmental nature are taken by the Russian Federation Government.

3. Decisions on the signing of Russian Federation international treaties of an interdepartmental nature are taken by the federal minister and the leader of the other federal organ of executive power within whose competence lie the issues being regulated by the said treaties, by agreement with the Russian Ministry of Foreign Affairs.

The Russian Federation Government takes decisions on the signing of the aforementioned treaties if the relevant issues are of major significance for the state interests of the Russian Federation.

4. Termination and suspension of the operation of Russian Federation international treaties of an interdepartmental nature are effected by the federal organs of executive power on whose behalf such treaties are concluded, by agreement with the Russian Ministry of Foreign Affairs and other interested federal organs of executive power, and with the authorization of the Russian Federation Government.

The Russian Federation Government takes decisions on terminating or suspending the operation of the aforementioned treaties if the relevant issues are of major significance for the state interests of the Russian Federation.

5. The original texts of Russian Federation international treaties of an interdepartmental nature are stored in the archives of the relevant federal organs of executive power, while authenticated copies of these treaties are sent to the Russian Ministry of Foreign Affairs within two weeks of the day of their signing (or of the receipt from the depositary of the authenticated copies, or official translations).

[signed] R. Orekhov, chief of the State-Legal Administration of the Russian Federation President

No. A19-1-1009

18 May 1994

S. Krylov, deputy minister of foreign affairs of the Russian Federation

No. 11788/IS

26 May 1994

[Koreshkov] Analysis of the practice of concluding Russian Federation international treaties of an interdepartmental nature testifies, to put it mildly, to a lack of understanding on the part of the federal organs of executive power of their own rights and obligations in the said issue.

This leads to a situation where the aforementioned treaties are often concluded without any kind of authorization from the Russian Federation Government. They do not undergo the requisite study and the necessary coordination, they contain provisions which contradict international treaty practice, and, when concluding such treaties, the federal organs of executive power often overstep the bounds of their competence, even terminating the operation of intergovernmental treaties.

At the present time, the Federal Law "On Russian Federation International Treaties," which provides for the clear regulation of the questions of concluding Russian Federation international treaties, including those of an interdepartmental nature, is in its second examination by the Federal Assembly State Duma. Let us note that it was rejected by the Federation Council in view of the unacceptability of certain provisions.

But while the Duma thinks things over, the Russian Federation Government in the form of Deputy Chairman Aleksandr Shokhin agreed with the clarifications being published and, 27 July this year, tasked the federal organs of executive power, agencies [departamenty], and departments [otdely] of the Russian Federation Government apparatus with implementing them.

Let us hope that there will now be greater order in preparing and concluding international treaties. After all, each line of the treaty has a strict meaning.

Government To Grant Industries Credits

LD1808195594 Moscow INTERFAX in English 1541 GMT 18 Aug 94

[Text] Russian Prime Minister Viktor Chernomyrdin said he has signed a government resolution to grant Russian industries the first part of investment and conversion credits, worth one trillion rubles, for capital investments in specific projects. The document stipulates that the credits, worth over 3 trillion rubles in total, must be distributed among Russian enterprises by the end of the year.

Speaking at a meeting with local leaders in Lipetsk, a major administrative center in central Russia, on Thursday, Chernomyrdin said he had instructed his first deputy, Oleg Soskovets, to compile a list of enterprises to be granted the credits in first priority.

Chernomyrdin emphasized that now credits "could not be given to just everyone, guidelines should be defined and support must be rendered selectively."

In particular, Chernomyrdin promised a credit to the Lipetsk tractor-making plant he had visited earlier this

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afternoon for completion of reconstruction projects and introduction of the new model tractor LTZ-155.

Chernomyrdin called on the leaders of industrial enterprises to use leasing more often for purchasing costly equipment as well as to create leasing companies, which he said was successful abroad.

To surmount the "non-payments crisis" crippling the country's economy and to stabilize its financial system, it will be necessary to let some industries fold, Chernomyrdin said. At the same time, "metallurgy cannot be let to decline," nor can certain promising projects, capable of bringing high profits, Chernomyrdin said. He pointed to the production of the new tractor LTZ-155 as an example of such a project.

Chernomyrdin stated that the federal budget had been executed by about 75-76 percent. He noted that many brilliant plans and programs could remain on paper due to a lack of funds. At the same time, Chernomyrdin said that the government will never resort to dumping unbacked money on the economy.

Chernomyrdin said that "energy production workers, miners and metallurgic workers had agreed not to raise the prices of their products" three days ago. The price equilibrium between different branches of the economy must be determined by agreements between industrial sectors rather than by the state, Chernomyrdin added.

Energy Ministry Says Winter Coal Supplies Low

LD1808210094 Moscow INTERFAX in English 1835 GMT 18 Aug 94

[Text] The Russian Fuel and Energy Ministry said that stores of coal for the winter as of August 1 were five million tonnes less than last year's amount at the same date, while fuel oil falls short by 1 million tonnes. The ministry described the situation as critical.

The ministry's press office states that also as of August 1 stores of coal were as low as 14.5 percent of required amounts and stores of liquid fuels were at 35.5 percent of what is necessary. The ministry's press office said that only Moscow, the Komi Republic and the Jewish Autonomous Region has succeeded in storing needed volumes.

Stores of fuel are reported to be the lowest in the northwest, Far East and Far North. The Kamchatka thermal power stations have only a five-day store of fuel oil.

The multi-industrial-sector working group in charge of fuel, heat and energy supply for the fall and winter decided at its meeting in the Fuel and Energy Ministry on August 17 to draft and submit to the government a set of proposals tied to crediting, payment of debts and taxation, to boost preparations for winter.

The working group called on the Gazprom company to lift all restrictions on gas supplies to power stations and to compensate for the low supplies over the summer by increased supplies in September.

Under the proposal, the state company Rosneft is to supply at least 3.5 million tonnes of fuel oil to power stations. The working group suggested that the Russian Power Grid, Rosneft and the Railroad Ministry sign an agreement on liquid fuel supply to the Far East.

Government Resolves To Increase Tax Collection

LD1808234594 Moscow ITAR-TASS World Service in Russian 1554 GMT 18 Aug 94

[By ITAR-TASS correspondents Nikolay Zagnoyko and Gennadiy Yezhov]

[Text] Lipetsk, 18 Aug—The Russian Government will take steps in the near future to increase tax collectability. The tax system will also become "more civilized", Russian Prime Minister Viktor Chernomyrdin said in Lipetsk, where he is on a one-day visit.

The taxation system in Russia today is not working, Viktor Chernomyrdin stressed. For example, no more than 75 percent of the budget was utilized last year. In the opinion of the Russian prime minister, this could destroy all of the government's best economic plans.

The government is aware that low tax collections is to a considerable extent caused by the imperfection of the tax system, the head of the Russian Government said. In his opinion, they are too high while liability for tax evasion is too low. The government will take a number of measures in the near future to lower taxes while, of course, ensuring that everyone of course, pay them.

Viktor Chernomyrdin led a conference at the Lipetskkompleks Joint-stock Company processing enterprise which was attended by heads of the oblast and its enterprises.

Viktor Chernomyrdin is to return to Moscow today.

Gaydar: MMM Scandal Due to Lack of Legislation

LD1808182794 Moscow INTERFAX in English 1354 GMT 18 Aug 94

[Text] Leader of the Russia's Democratic Choice party Yegor Gaydar says that recent scandals over two investment funds, MMM and Russkiy Dom Selenga (RDS) were caused by a lack of legislation on regulation of the securities markets.

In an interview with Interfax on Thursday, Gaydar spoke of having prepared the appropriate government resolution when he joined the cabinet in 1991 which was later endorsed by President Boris Yeltsin himself.

Although it was the right move at the time, he said, the resolution, which is still in force, has since become largely outdated.

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Gaydar believes that legal relations in the private sector must be regulated by a federal law rather than government resolutions. He expressed regret that no uniform concept had been worked out to regulate the securities' market because of serious differences between various government departments.

One other cause of the scandal, he believes, follows the disregard of existing legal restrictions on advertising by the mass media, particularly television. More importantly, he said, the mass media, particularly television, which wield great influence on the audience or readership must certainly verify the authenticity of advertised materials.

Gaydar called for forming a special TV unit of experts to look into an advertisement before putting it on air. This must check if the advertising firm has a licence from the Central Bank of Russia and ask the finance ministry for its financial standing.

Jailed MMM President To Reopen Offices

LD1808183194 Moscow INTERFAX in English 1354 GMT 18 Aug 94

[Text] President of the MMM investment fund Sergey Mavrodiy who is currently in a Moscow detention center has decided to restart the activities of MMM guided by "the interests of share-holders first of all."

In accordance with his order signed in the detention center on Wednesday and transferred to Interfax today, on August 22 all MMM sale offices must be opened. On August 29 a commission for paying compensation to poor share-holders will begin working.

The order says that he will continue to control MMM from his prison cell through lawyers.

Last week the MMM press service announced that a fake order with the signature of the MMM president's brother Vyacheslav Mavrodiy had appeared in Moscow. The fake order also said that the MMM sale offices will open in late August and that the MMM commission on compensation will begin to work.

Raw Materials Dominate Increasing Exports

MM1808130594 Moscow IZVESTIYA in Russian 18 Aug 94 p 1

[BIZNES-TASS report: "Russia Increases Exports"]

[Text] During the first seven months of the year Russia exported output worth $25.2559 billion, 111.2 percent of the total volume of exports for the same period of 1993.

This was announced by the Ministry of Foreign Economic Relations. Industrially developed countries still hold the lead in terms of procurements of Russian goods, being supplied with output worth $16.639 billion. At the same time, Oleg Davydov, Russian minister of foreign econoimc relations, announced that there have regrettably been no signs as yet of an increase in exports of machinery and technical goods. Shipments of raw materials still account for 85 percent [of exports].

FCS Detains 10 Central Bank Staffers

MK1908100394 Moscow SEGODNYA in Russian 19 Aug 94 p 1

[SEGODNYA report: "Arrests Were Indeed Carried out in Central Bank"]

[Text] As SEGODNYA has already reported, around 10 Central Bank of Russia employees were detained by the operatives of one of the Russian Federation Federal Counterintelligence Service [FCS] central apparatus subdivisions, with cooperation from their counterparts in the Main Department for Economic Crimes of the Russian Federation Ministry of Internal Affairs. Information regarding the names and positions of the detained as well as the suspicions that provided the ground for holding them are still being kept secret.

AES Stations To Resume Protests Unless Wages Paid

MK1908101294 Moscow NEZAVISIMAYA GAZETA in Russian 19 Aug 94 p 2

[Unattributed report under the "In Brief" rubric]

[Text] Moscow—All the protest actions at the Smolensk, Kalinin, and Kolskaya AES [atomic electric power stations] started 28 July have been put on hold while the situation at the atomic stations remains difficult, it has been announced at the "Rosenergoatom" state concern. It has been advised at the Central Committee of the trade union of atomic engineering and industry workers, that specialists of the AES's intend to resume the protest action unless the government takes steps during the coming month to pay the backlog of wages and end the non-payments crisis.

Military & Nuclear Issues

Grachev To Show Yeltsin Army 'Under Control'

MK1908101994 Moscow NEZAVISIMAYA GAZETA in Russian 19 Aug 94 p 2

[Report by Vadim Yegorov under the "Reaction" rubric: Pavel Grachev is Disturbed by a Publication in NG. He Is Determined to Prove to the President His Capabililty of Keeping the Situation in the Military Under Control.]

[Text] As a source close to the leadership of the Russian Ministry of Defense has informed us, Army General Pavel Grachev, currently vacationing in Sochi, reacted in an extremely agitated fashion to speculations that he would be dismissed and the arguments used to support such speculations, published in the 17 August edition of NEZAVISIMAYA GAZETA. Grachev fears that a final

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decision to this effect could be made by Boris Yeltsin, either in an emotional swipe (after reading the daily compilation of the most important articles from the Russian press) or on the recommendation of Aleksandr Korzhakov, chief of the Presidential Security Service.

In the opinion of the same source, Pavel Grachev intends to have a personal meeting with Boris Yeltsin at the latter's Sochi residence in order to reassure the president of his ability to maintain control over the situation in the armed forces, and to dispel the tendency towards a further cooling of relations between them.

It is expected that in upcoming issues of KRASNAYA ZVEZDA, materials refuting the assertions about the growing antipresidential mood in the Russian army will be published.

However, General Grachev had best not count on the outward signs of friendship coming from the president. Once, at a collegium session of the former Ministry of Security, the president lavished praise on Viktor Barannikov, which did not prevent him from subjecting him to a humiliating dismissal several months later. The principle of political expediency remains, in this instance, the main motivating factor in the cadre policy of the Russian president.

Kokoshin Meets Defense Industry Leaders

MM1908101994 Moscow KRASNAYA ZVEZDA in Russian 19 Aug 94 p 1

["Own information" report: "Defense Industry Officials Make Suggestions"]

[Text] A conference with the leaders of a number of leading enterprises fulfilling the state defense order has been held within the framework of the activity of the working group for preparing government decisions on the stabilization of the economic position of defense complex enterprises and ensuring the state defense order.

The government working group is heading by Andrey Kokoshin, Russian Federation first deputy defense minister.

The general designers and directors of enterprises of various forms of ownership raised most acutely questions of the chronic underfinancing of the production of weapons and military equipment and the defense scientific research and development institutes. Here it was noted that an exceptionally grave situation has taken shape with the sale of civilian output produced by defense enterprises which are being converted.

On the basis of the conference results a number of specific proposals were made for the Russian Federation Government directive on defense industry questions.

Taking part in the conference were the heads of a number of administrations, Viktor Glukhikh, chairman of the State Committee for the Defense Sectors of Industry, and leading officials of the Ministry of Finances and the Ministry of the Economy.

Angara To Develop Heavy-Class Rocket Carrier

LD1808201194 Moscow INTERFAX in English 1541 GMT 18 Aug 94

[Text] Following a competition, the new space complex Angara was announced the basis for future development of a promising Russian heavy-class rocket carrier.

Interfax learned from competent sources that the decision to give preference to Angara was taken by the Russian Federation Defense Ministry's Military-Space Forces and by the Russian Space Agency following the meeting of the Inter-departmental Commission for Scientific and Technical Matters of the Russian Security Council.

In addition to the Angara complex proposed by the Khrunichev State Space and Scientific-Production Center, KSSSPC, at the closing stage of the competition the draft project Energia-M of the Russian Space Corporation Energia was submitted.

According to KSSSPC experts, the Angara project's success at the competition was mostly due to the fact that it fulfilled the demand of the Defense Ministry for Russia to be "guaranteed access to outer space." Launching pads for the Energia-M rocket are situated at the Baykonur space center in Kazakhstan and therefore do not meet the Defense Ministry's demand. The launching pads for the Angara complex will probably be built at the Russian space center Plesetsk in northern Russia and later, again at the future Far Eastern space center Svobodny.

At present, the Russian heavy rocket Proton, produced also by KSSSPC, is launched into geo-stationary orbit only from the Baykonur space center. Russian Military-Space Forces under the Russian Defense Ministry, in line with the recent interstate agreement with Kazakhstan, will be allowed to operate at the Baykonur site for 20 years with the option to extended the lease for another 10 years.

KSSSPC Director General Anatoliy Kiselev told Interfax that the victory at the competition means that the Khrunichev Center's production capacities will be met until at least the year 2030.

Taking part in the implementation of the project will be the Russian Space Corporation Energia, which will develop the second stage of the rocket carrier on hydrogen-oxygen fuel, and the Makeyev State Rocket Center.

Ministry Describes Arrests of Nuclear Smugglers

AU1808164394 Paris AFP in English 1623 GMT 18 Aug 94

[Text] Moscow, Aug 18 (AFP)—Three people have been arrested in Russia while attempting to sell an unknown

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quantity of nuclear material to undercover police, the Russian interior ministry said Thursday [18 August].

The three men were arrested in the western city of Kaliningrad when they tried to sell a 60-kilogramme (132-pound) lead container containing a nuclear substance for one million dollars, Saint Petersburg police said.

Police had earlier said a suspected buyer was arrested in Saint Petersburg, but officials later said the people posing as buyers were undercover agents.

The interior ministry told AFP the arrests were made Wednesday, but according to Saint Petersburg police the incident took place August 12.

Officials would not specify the nuclear substance or its quantity, but the interior ministry said the container was labelled SRP88N in Cyrillic lettering. The material was handed over to the special services of Russia's Baltic Fleet, Saint Petersburg police said.

One of the suspects was in his early 20s and was the director of a firm called Baltares, the second was a Baltares security guard and the third an unemployed man, the interior ministry said.

Several dozen cartridges, two knives and two radios were also seized in the raid, which was carried out by both Kaliningrad and Saint Petersburg regional forces, officials said.

Meanwhile, a spokesman for Russia's counter-espionage service said the Russian ministry of atomic energy had still not recieved any documents from Germany enabling it to trace the origin of the 300 to 350 grammes of plutonium-239 seized August 10 in Munich from a Colombian and two Spaniards arriving on a plane from Moscow.

The spokesman, Alexander Mikhailov, said the ministry was relying on press reports for its information.

He said the German authorities' attitude might endanger the likelihood of a joint Russian-German investigation being carried out.

Russian authorities have been irritated over the past three days by German declarations that the plutonium seized in Germany came from Russia.

However, the director of the European Atomic Energy Community said Thursday that six grammes of plutonium seized in May by German police came from a Russian nuclear complex.

Smuggling of Radioactive Substances 'Impossible'

LD1808151994 Moscow INTERFAX in English 1053 GMT 18 Aug 94

[Text] The Moscow Sheremetyevo-2 international airport has "very sensitive radio equipment" which makes it absolutely impossible to export radioactive substances from Russia, a well-informed source in the Russian State Customs Committee said in an interview with INTERFAX today.

The source said that in accordance with the USSR law on the state borders, still in effect today, specially equipped border troops must examine cargo crossing the border and reveal such substances. The special equipment registers even very insignificant amounts of cesium found in pacemakers. This equipment was developed by KGB professionals under the Soviet regime, a 100% guarantee for its reliability, the source said.

"The equipment in the Sheremetyevo airport was functioning," the day the contraband cargo of radioactive substances left Moscow for Munich, the source stressed.

The source said he believes that the smugglers who had come to Moscow from Munich had changed luggage labels and had left for Munich on the same day. The source said he believes that the smugglers wanted to "trap Russia."

Regional Affairs

Official Says Chechen Armed Forces Loyal to Dudayev

LD1808183994 Moscow INTERFAX in English 1354 GMT 18 Aug 94

[Text] The Chechen army is loyal to its oath of allegiance and to President Dzhokhar Dudayev, according to the head of the main headquarters of the Chechen Armed Forces Aslan Maskhadov. He told Interfax today that reports that government forces had defected to the opposition were the "product of a sick imagination."

Commenting on allegations of defections near the village of Kombeleyevskaya, Maskhadov said that there is no such village on Chechen territory and that it is situated in North Ossetia.

The allegations concerned two squads of cavalry, while Maskhadov said there were hardly ten horses in the entire republic. He added that the name of the person allegeably heading the defected cavalry belongs to a man famous for his horsemanship who had died ten years ago.

Chief of the Headquarter of the Sholin Tank Regiment Saipiy Borshchigov told Interfax that there is no relative of Umar Avturkhanov in the regiment. He was the man who allegedly headed the battalion which had defected to the opposition. "The tank regiment is ready to carry out the orders of the president to defend the sovereignty of the Chechen Republic," he added.

An Interfax correspondent reports that military exercise with the participation of artillery and air forces is being carried out in the Sholin Tank Regiment today.

Chechen Colonel Views Situation in Republic

LD1808182994 Moscow ITAR-TASS World Service in Russian 1552 GMT 18 Aug 94

[By ITAR-TASS correspondents Sharip Asuyev and Mikhail Shevtsov]

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[Text] Groznyy, 18 Aug—The regular servicemen of the Chechen Armed Forces will do everything to prevent the Russian-Chechen war, but should the question of defending the constitutional order and sovereignty of the republic arise, the army will do its duty. Colonel Ali Matsayev, head of the operations directorate of the Chechen Republic Armed Forces General Staff, told this to journalists today at a news conference today.

Speaking about the situation in the Shalinskiy tank regiment, he noted that this subunit is now at the center of attention of the Chechen rEpublic's leadership as well as the opposition forces. A. Matsayev admitted that the opposition is making attempts to win some of the regiment's personnel over to its side and that 'certain individuals' have succumbed to its campaigning. However, he did not specify the number of servicemen who have gone over to the opposition's side.

Replying to a question of the ITAR-TASS correspondent as to whether the power in the Chechen republic could be taken over by the military, Ali Matsayev said it was unlikely that events should take such turn. If President Dzhokhar Dudayev has made any mistakes, he should admit them openly and try to put them right, using the help of the military as one of his methods, he said.

Ali Matsayev described as a misunderstanding the telegram recently sent to the Russian department for air transport, which contained threats to the safety of the flights of civilian aircraft to the Sleptsovskoye airport situated on the territory of Ingushetia. At the same time, he expressed a wish that the ban on flights in the Chechen air space should also be abolished. We are ready to tackle all problems of the military sphere together with the Russian military leaders, on the basis of normal relations and mutual understanding, A. Matsayev said.

Chechen Elders Ask Yeltsin To Mediate

LD1908084694 Moscow ITAR-TASS in English 0825 GMT 19 Aug 94

[By ITAR-TASS correspondent Vadim Byrkin]

[Text] Moscow August 19 TASS—The Coordinating Council of the public-political association Gulan and the Council of Elders from the Shali, Urus-Martan, Nozhai-Yurt and Vedenski Districts of the Chechen Republic have appealed to Russian President Boris Yeltsin to approve the Chechen popular trust government's proposal for him to act as a mediator in negotiations aimed at reaching national reconciliation in the Chechen Republic.

Chairman of the Gulan movement Mustafa Edilbiyev today told ITAR-TASS that the appeal was adopted at a joint meeting of the Coordinating Council and the Council of Elders which took place on Thursday.

Participants in the meeting pointed to the danger posed by Boris Yeltsin's opponents whose "populist slogans may incite the population, which can lead to unpredictable consequences".

Russia Denies Chechen Invasion of Kabardino-Balkaria

LD1908135794 Moscow ITAR-TASS in English 1235 GMT 19 Aug 94

[Text] Moscow August 19 ITAR-TASS—The Russian Ministry for Nationalities and Regional Policy has denied media reports that Chechen militants have invaded the territory of Kabardino-Balkaria. The ministry's press-release issued on Friday said that the ministry officials based in Kabardino-Balkaria's Prokhladny district did not confirm the reports after "thorough checks".

The ministry urged the mass media to prepare their publications with more consideration because, in the current explosive situation in the north Caucasus, any tendentious information may be considered as an act of provocation and lead to unpredictable developments.

Khasbulatov Prevented From Holding Rally in Chechnya

LD1808154894 Moscow INTERFAX in English 1354 GMT 18 Aug 94

[Text] The population of the Urus-Martan District in Chechnya did not allow Ruslan Khasbulatov, former speaker of the Russian parliament, to hold a rally there Thursday by blocking the road and telling Khasbulatov's men never to enter the district.

The day before the district elders called on Khasbulatov to discontinue what they called provocations leading to an armed conflict. In a televised address they laid the responsibility for the possible consequences on Khasbulatov, his family and followers.

An INTERFAX correspondent says that this is the third failed attempt by Khasbulatov to hold a rally in the Urus-Martan District.

Khasbulatov Attends Rally

LD1808175094 Moscow ITAR-TASS World Service in Russian 1535 GMT 18 Aug 94

[By ITAR-TASS correspondents Sharip Asuyev and Mikhail Shevtsov]

[Text] Groznyy, 18 Aug—After a few false starts a rally of opposition forces is now taking place in Urus-Martan, one of Chechnya's largest villages. Ruslan Khasbulatov and former Groznyy Mayor Bislan Gantemirov are taking part. Several thousand people are attending the rally, which is taking place on the edge of the village.

One of the main demands put forward at the rally is to set up an opposition structure in Urus-Martan Rayon along the lines of the interim council, which is active in the Nadterechnyy Rayon. The structure would not be subordinate to the President of Chechnya Dzhokhar Dudayev. There are also demands to abolish the institution of presidency in the republic.

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Abdul Ortakhanov, prefect of the Urus-Martan Rayon, told journalists that the situation at the meeting site is complicated but the law-enforcement bodies are not interfering in the proceedings.

Chechen Town Elders Refuse Entry to Khasbulatov

LD1908144994 Moscow INTERFAX in English 1314 GMT 19 Aug 94

[Text] It is known that up to 2,000 people attended a rally in Chechnya's Urus-Martan region on Thursday called by former speaker of the Russian parliament Ruslan Khasbulatov.

An INTERFAX correspondent reports that although it was originally planned in the town itself, the rally was eventually held in an open field outside it.

The Council of Elders denied Khasbulatov entry into Urus-Martan to avoid any confrontation.

Chechnya Rejects Plan for Public Executions

LD1908111094 Moscow ITAR-TASS World Service in Russian 0947 GMT 19 Aug 94

[By ITAR-TASS correspondent Mikhail Shevtsov and Sharip Asuyev]

[Text] Groznyy, 19 Aug—The death sentence on the five criminals sentenced to death will be carried out in the next few days, not in public, but in accordance with the regulations. This was stated today by Usman Imayev, justice minister and general procurator of the Chechen Republic. A decision to this effect has been made, the minister stated. Thus there will no public execution of criminals in Chechnya. The minister said many procedural, practical and religious problems have arisen because the death sentence is being carried out for the first time on Chechen territory. For the time being, Usman Imayev is refraining from giving a detailed explanation of these problems in order not to create an unnecessary fuss.

Muslim Leaders Plead for Restraint in Chechnya

MK1908100894 Moscow NEZAVISIMAYA GAZETA in Russian 19 Aug 94 p 2

[Unattributed report under the "In Brief" rubric]

[Text] Moscow—The Supreme Coordination Council of the spiritual administrations of Russia's Muslims came out with an appeal the other day regarding the developments surrounding Chechnya. The Muslim leaders have turned to all the parties in the conflict with a request "to show maximum restraint and prudence to keep from falling into the abyss of a fratricidal war." They have laid special stress on the role of the Russian president, government, and Federal Assembly in resolving "the complex, far from ordinary, problem" of settling the situation in Chechnya through peaceful means.

Tatarstan's Attitudes Toward Russia Viewed

MM1908124594 Moscow KRASNAYA ZVEZDA in Russian 19 Aug 94 p 3

[Article by Oleg Bedula: "Tatarstan on Path to International Community; Six Months After Signing of Treaty between Tatarstan and Russia"]

[Text] In celebrating this date the republic does not forget to recall something else: Tatarstan today has a declaration on state sovereignty and its own constitution. But people in Tatarstan also remember that special methods are needed to implement the treaty just as they were needed in the past to prepare it.

"The number one organizational task is the creation of a joint Tatar-Russian commission to discuss a wide spectrum of questions concerning the treaty itself and the agreements which have been concluded, which are not fulfilled always or in full," Vasiliy Likhachev, the republic's vice president, stated recently. "It is not so much economic as foreign economic issues which will be the most complex sector in the joint commission's activity."

One of the complaints leveled against Moscow is the reluctance of Russian Foreign Ministry officials to understand that Tatarstan has the right to go directly to foreign states, bypassing departmental control. The republic does not insist on the absolutization of this right stipulated by the treaty but it does state the creation of a mechanism for coordinating foreign policy activity.

At the same time, responding to the impatience of some nationalist organizations, the republic's leadership has repeatedly stated that for Tatarstan's recognition it is not simply enough to raise the republic's flag outside the headquarters of the United Nations or some other international organization. This is a lengthy process and Tatarstan is taking only the first steps here. In particular, with a view to developing trade and economic, scientific and technical, cultural, and humanitarian ties, Tatarstan has already opened missions in the United States, France, Lithuania, Azerbaijan, and Uzbekistan. In Kazan itself it is planned to open Turkish and German consulates.

How will Tatarstan's relations with Russia develop? The republic is convinced that it will only be on the basis of the treaty which has been signed, applying all that is best that has been accumulated by the world's and our own experience of the development of sovereign states.

Zhirinovskiy Accuses Nemtsov of Blocking Meetings

LD1808185294 Moscow INTERFAX in English 1354 GMT 18 Aug 94

[Text] Leader of the Liberal Democratic Party [LDPR] Vladimir Zhirinovskiy has forwarded a complaint to the Federation Council accusing Nizhny Novgorod governor Boris Nemtsov and Chuvashian President Nikolay Fyodorov of preventing his meetings with electors.

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Sources in the upper chamber told Interfax that in the letter to the chamber chairman Vladimir Shumeyko Zhirinovskiy says that Nemtsov delayed a ship carrying members of the LDPR faction in the locks near Nizhny Novgorod.

Zhirinovskiy accuses Fyodorov of an hour-long delay in the ship's arrival to Cheboksary and of disrupting his meetings with electors as members of the faction were pelted with eggs. The letter says that private body guard of the Chuvashian president threw the eggs. When he was detained the militia discovered that he was carrying fire arms.

Describing the actions of Nemtsov and Fyodorov as "sabotage aimed at disrupting my meetings with electors," Zhirinovskiy said that it was a violation of human rights and asked Shumeyko to examine the case in which he said members of the Federation council were involved.

However, Nikolay Fyodorov is not a deputy of the Federation Council. He was elected to the State Duma on the list of the Democratic Party but gave up his mandate after being elected president of the Chuvashian republic.

Zhirinovskiy Addresses Rally in Saratov

LD1808213594 Moscow Russian Television Network in Russian 1900 GMT 18 Aug 94

[Video report by I. Deryugin in Saratov; from the "Vesti" newscast]

[Text] Today one more Russian politician staged a rally devoted to himself.

[Deryugin] The vessel Aleksandr Pushkin with Zhirinovskiy's team on board moored at the Saratov jetty this morning. Having mixed with the small welcoming group in the port, Zhirinovskiy and his comrades set off to hold a news conference.

Having dissociated himself from communists and democrats, the leader of Russia's Liberal Democrats [LDPR] called for an end to wars while at the same time suspending all reforms. Then, having condemned various manifestations of extremism, he promised that in the event of his coming to power he would expel from the country ministers and governors sabotaging the fulfillment of his orders, imprison them in Lefortovo, or take the most extreme measures against them.

At a rally in the town's main street, Zhirinovskiy spoke of the need to elect a new parliament and form a new government. However, neither the expression and originality of the turns of speech of the orator nor the magnetic gaze of Kashpirovskiy, who looked somewhat tired, made a special impression on the people of Saratov, who were looking fairly indifferently at what was happening.

Purpose, Results of Yeltsin's Volga Tour Pondered

MM1908100594 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 19 Aug 94 pp 1, 3

[Article by Pavel Voshchanov: "Volga Flows into Black Sea. President's Volga Travels End in Sochi"]

[Text] Specialists claim that, in the absence of political irritants, many people are experiencing a noticeable upsurge of social optimism. If that is the case Russian politicians' departure en masse on vacation is a good thing. This may be the first time in postcommunist Russia that members of all branches of power have flown their nests at once. The president is no exception. Admittedly, his travels were not without propaganda, which gives me grounds for some reflections.

Some time ago the Kremlin press service mysteriously announced that the head of state intended to set off on a short vacation that would be nontraditional. For about two days the intrigued country indulged in guessing games in the absence of any information: What would Boris Nikolayevich be doing that was so unusual this time?

Journalists argued as they waited for the leak of information from the incorruptible presidential structures that is inevitable in such circumstances.

Needless to say, a Volga cruise is not a Sochi beach or a czarist hunt at Zavidovo near Moscow. It is indeed something new. But what is nontraditional about it by the strictest political criteria? God forbid that it be an allusion to our ancient sovereigns, who loved to travel around the vast expanses of Russia and admire their great country. We cannot turn back the clock to those noble czarist pleasures, that is not the style of the country's current masters? So it is no good their copying it. But there is the more recent example of Solzhenitsyn, who virtually traversed all of Russia not so long ago. From east to west. His journey was all very well, but on his return he aired his opinions for all to hear. On everything. Including politics.... Kremlin circles began to buzz in alarm: "Solzhenitsyn is gaining political clout!"

Did the president see the writer who had returned to Russia as his political rival? I think that it is still too early to say that. But some of the president's innermost heartstrings had evidently been stung. Solzhenitsyn's claims to know the state of affairs in the country were bound to reach the Kremlin. And, that being the case, I do not rule out the idea of their being echoed there by a decision to cross Russia. But in his own "nontraditional" way—from north to south.

What primarily attracted attention? First, the obliging nature of the official sources of information, which doggedly dignified the "sovereign's voyage" as a working visit. Admittedly it did look very touching: Worn out by the cares of the Kremlin, Yeltsin was to set off on a "special boat" down the Volga with his entourage and

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members of his household to "resolve certain matters," offer practical advice in some places on how to improve the ecological situation of the great Russian river, and in other places to share his innermost thoughts on the most radical means of combating nitrates and nitrites. And of course, to support and encourage people by giving them particular signs of the president's attention, promise them an aircraft full of money or present them with a grain harvesting combine....

Important issues were indeed resolved at times during the trip. But in a kind of strange way.... I read a report from Rostov-na-Donu: At the airport the president adopted a decision agreeing to raise the purchase price of grain from 160,000 to 190,000 rubles, as the Kuban grain producers had demanded. It is indeed obsessively trite to demonstrate statesmanship without leaving the gangplank. One may of course assume that the issue was studied in advance. But why then was it not decided before? And incidentally for everyone at once—for the people of Stavropol and Orenburg. And what option do Russian grain growers or potato farmers have, say, who are equally unhappy with prices? They can only hope that their "master will turn up...."

And what do you make of the surprise shown by the head of state on learning of the delays with the payment of VAZ workers' wages! Did a steamer really have to travel from Moscow to Zhiguli to find this out? I quote from a radiotelephone message: "What? They haven't been paid?... They haven't been paid?... They haven't been paid for July?... You see.... Yes.... What?... Just for July, you see.... They will be paid.... I will telephone today...." An aircraft of money for the automobile plant workers is doing things czarist style! But I think that, in order to provide the logical culmination of the process, he should have announced the opening of a regular Kremlin-VAZ charter flight and fill the plant's coffers at the required intervals. Otherwise the automobile construction workers' gratitude will unintentionally turn to hostility: Why was it possible yesterday, but today it is not?! As for the thousands of other Russian enterprises, their only option is evidently to hope that at some point their region will be chosen for a "planned working visit."

One last observation. While the president's frigate was well and truly plowing through the dirty expanses of the Volga, official propaganda vainly recalled former Soviet leaders by stressing particularly that this time there was none of the traditional window-dressing. Nothing was especially prepared for the eminent guest's arrival—there was no asphalting of roads, no painting, no patching up. Excuse me, but I don't believe that! There is a corresponding instruction on this score which was formulated back in the days of the KGB services and which no one has hitherto abrogated. And if it is not being carried out by General Korzhakov, that simply will not do! So we taxpayers have every reason to be alarmed about order in this auxiliary presidential farm.

I think that the misgivings are nonetheless in vain. Preparations for a visit by eminent leaders always begin with the "guest's route" being put in order. Special people from the president's team drive out in advance "to prepare things" and check out everything on the spot down to the fine details. God help them if people then deviate from what was decided in advance! It will cost the person dear who takes the liberty of doing so. Since a step sideways leads to filth, broken up roads, semi-derelict houses, and drunk unkempt townspeople. Putting the "visitor's route" in order amounts to nothing more than showing off falsely. Nowadays, given our general state of collapse, you cannot fool anyone in such a primitive way. It is all far more subtle than that. To achieve this you have to demonstrate "How devoted we are! We have longed for your arrival, prepared for it, and made efforts!" That is the ancient Russian tradition. But modern governors have brought it to the pinnacle of perfection.

....The appearance of the head of state in some unimportant town light years away from the turbulent political maelstrom is of course an event. On learning of his arrival people go to the street that has been cleaned for the event and wait for the presidential cortege for hours. What makes them line along the "guest's route"? Everyone has his own reason. Some count on presenting him with a petition against people who have offended and oppressed them. Others were warned beforehand: "Your appearance is mandatory!" While a third group are motivated by ordinary curiosity—what is he like? But as soon as the line of automobiles hitherto unseen in these parts has passed by, everything quiets down. The militia that have been drafted in from the whole district disperse. The internal troops go off to barracks. Ordinary citizens return to their everyday concerns. Life plunges into its customary sleepy routine.

The person responsible for all the fuss can now do the same. After "consulting with people" it is good to think in precious quiet about some state matter. No matter what you say, the people's support is worth a lot! Now no one can reproach him for not knowing the real state of affairs. We have sailed down the Volga, so we know....

Perm Oblast Withdraws From Civic Accord Treaty

LD1808130494 Moscow Radio Rossii Network in Russian 1000 GMT 18 Aug 94

[Text] Vadim Fefilov, our Perm correspondent, reports that Perm oblast's legislative assembly adopted a sensational and unprecedented decision this morning. It is to suspend Perm oblast's participation in the Federal Treaty on Public Accord. In an interview with our correspondent, (Yevgeniy Sapiro), chairman of the legislative assembly, said that this tough measure is a response to the growing tendency to divide component parts of the federation into black and white. Perm oblast, for instance, pays almost 50 percent of all tax receipts into the federal budget, while Bashkiria [Bashkortostan] hands over only 10 percent.

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However, Perm Governor Boris Kuznetsov said that this is, basically, a declaration of war on the center. Boris Kuznetsov called for milder steps against Moscow.

Grain Yield Decline Threatens Stavropol's Status

MM1808133994 Moscow ROSSIYSKAYA GAZETA in Russian 18 Aug 94 First Edition p 1

[Unattributed report under "Yesterday, Today, Tomorrow" rubric: "Harvest No Cause for Joy"]

[Text] Mass harvest work on an area of over 1.5 million hectares has ended on the grainfields of Stavropol.

The harvest has been gathered in on time. However, only around 3.5 million tonnes of grain have been gathered—almost 1 million less than in the last harvest. In terms of cereal yield the kray has been cast back a decade: The Chernozem lands here have not provided such a low yield since the mid-1980's. The results of the harvest, according to specialists' predictions, may face the kray's grain producers with the problem of reducing the area sown to cereals. This is liable to result in a situation whereby the Stavropol region ceases to be Russia's leading grain-producing area.

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International Affairs

UN Forces Commander Winds Up Visit

LD1908102394 Moscow ITAR-TASS in English 0928 GMT 19 Aug 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev, August 19 (TASS)—The commander of the U.N. Allied Forces in the Atlantic, Admiral Paul Miller, wound up his three-day official visit to Ukraine on Friday.

During his visit, the admiral met Ukrainian Defense Minister Vitaliy Radetskyy and Foreign Minister Anatoliy Zlenko to discuss a wide range of issues concerning mutually beneficial cooperation.

During his talks with Zlenko, Miller stated that NATO would try to achieve its transformation from a military into a military-and-political organization.

The top officials discussed Ukrainian participation in the "Partnership for Peace" program and NATO's contribution to the system of collective security in Europe.

During the admiral's talks with the Ukrainian defense minister, they considered realization of the Moscow tripartite agreement, signed by the presidents of Ukraine, Russia and the United States.

Summing up the results of the talks, Radetskyy noted that the "Partnership for Peace" member-states have a lot of common interests connected with maintaining peace in the region, and the countries are able to work out effective mechanisms to protect them. This is confirmed by the recent sea exercises "Breeze-94", the minister stressed.

The top military officials told reporters that Ukrainian membership in NATO had not been discussed. According to Radetskyy, the issue is not and can not be put on the agenda, proceeding from Ukraine's doctrine of nonalignment with any military blocs.

NATO Chief, Radetskyy on Nukes, Black Sea Fleet

LD1808184094 Kiev UNIAR in Ukrainian 1350 GMT 18 Aug 94

[Text] Kiev, 18 Aug—NATO's supreme allied commander Atlantic, Admiral Paul David Miller, who is visiting Ukraine, held a briefing at the Defense Ministry following his meeting with Defense Minister Vitaliy Radetskyy. Admiral Miller's official visit to Ukraine is a landmark in the development of the relations between the Ukrainian Defense Ministry and NATO, said Vitaliy Radetskyy. At their meeting, the two officials discussed Ukraine's nuclear arms problems and the division of the Black Sea Fleet. One of the main subjects at the talks was the implementation of NATO's Partnership for Peace program. Speaking on the Black Sea Fleet, Vitaliy Radetskyy said that Admiral Miller appreciated Ukraine's wish to seek a peaceful and civilized solution to this problem. The defense minister described the visit by NATO's supreme commander Atlantic to Ukraine as very fruitful. Paul Miller agreed with Ukraine's defense minister on the importance of the meeting. The NATO admiral said his visit was proof that a new political-military situation was developing in Europe. With regard to the Black Sea Fleet problem, Admiral Miller said that the location of the fleet was an important issue and that he hoped the problem would be resolved on a mutually acceptable basis. The program of Admiral Miller's visit to Ukraine also includes a meeting with Ukraine's foreign minister and a visit to the Armed Forces Academy, where he will give a talk. Paul Miller will return to Brussels on 19 August.

Bundeswehr To Send Medical Supplies to Army

LD1808190094 Moscow INTERFAX in English 1356 GMT 18 Aug 94

[From "INTERFAX UKRAINE NEWS"]

[Text] The Bundeswehr will make 13 tons of medical equipment and DM 1 million worth of medicines available to the Ukrainian army free of charge.

The load will arrive in a special flight carrying a Ukrainian Defense Ministry's team who are staying now in Germany on a working visit, Interfax-Ukraine was told by the Defense Ministry press office.

Maj. Gen. Anatoliy Lurin, the Ukrainian Armed Forces surgeon general who heads the Ukrainian team, and Lieut. Gen. Gunter Doesch, inspector of the Bundeswehr's medical service, will discuss extension of bilateral contacts.

Germany sends humanitarian assistance under an agreement reached last when Ukraine's Defense Minister Vitaliy Radetskyy visited Germany.

Chinese President Plans Official Visit

WS1908085594 Kiev Ukrayinske Radio First Program Network in Ukrainian 1800 GMT 18 Aug 94

[Text] A UKRINFORM correspondent has learned from official sources that Jiang Zemin, head of People's Republic of China, will pay an official visit to Ukraine on 6-8 September at the invitation of Ukrainian President Leonid Kuchma.

It is anticipated that in the course of his visit Jiang Zemin will meet with Leonid Kuchma, Ukraine's Supreme Council Chairman Oleksandr Moroz, Prime Minister Vitaliy Masol, and Foreign Minister Anatoliy Zlenko. It is expected that a number of important Ukrainian-Chinese documents will also be signed. It is planned that the sides will discuss the course of implementation of treaties and agreements already in force, as

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well as prospects for developing agreement-and-legal bases for bilateral cooperation.

Kuchma, Nazarbayev Note Need To Strengthen CIS

MM1808100594 Moscow PRAVDA in Russian 17 Aug 94 p 1

[Report by Viktor Drozd: "Nursultan Nazarbayev and Leonid Kuchma: You Must Consider the Mood of the Peoples"]

[Text] Kiev—Nursultan Nazarbayev has particularly warm memories of Ukraine. He was a student here, and it was here that character was tempered and friendship forged. That is why, as far as the Kazakhstan president is concerned, "building bridges" between the peoples is not only a state requirement, but a heartfelt wish. For Leonid Kuchma Kazakhstan was one year working at Baykonur. Indeed, Premier Kuchma's first visit was to Kazakhstan. That must be why, judging by the mood, their meetings, conversations, and press conference meant something more to Nursultan Nazarbayev and Leonid Kuchma than was dictated by official protocol. They are attuned to the mood of the people. They both see the weaknesses in the activities of the CIS, but they do not revel in them. Instead, they are endeavoring to make the Commonwealth work. "Then," Nursultan Nazarbayev stated with conviction, in the light of his visit to Estonia and Lithuania, "other states will join. In fact, everyone now appreciates what an advantage it is to have a common economic and customs area and coordinated policies and economies." This kind of cooperation, in Nazarbayev's opinion, is "directly relevant to people, who can then move around quietly, meet with friends and relatives, and move goods."

But, both presidents specifically indicated, the strengthening of the CIS must not take place at the expense of bilateral links. (It is worth noting that this was also agreed by the heads of the Ukrainian and Moldovan Governments, who met in Kiev at the same time, which only goes to confirm the CIS countries' desire for genuine rapprochement.) The need for closer links was also evidenced by the accord on devising a program of Ukrainian-Kazakhstani trade and economic links and the creation of transnational corporations and joint ventures. "To that end," Leonid Kuchma said, "a group of Ukrainian experts will go to Kazakhstan to examine projects based on the following scheme: Kazakhstani raw materials, Ukrainian processing, joint sale." There was also a discussion about establishing joint ownership on the territory of Ukraine and Kazakhstan. Bilateral relations, in Nazarbayev's view, will serve to create an effective economic, market, and customs area within the CIS framework. Leonid Kuchma noted in this connection that all the countries of the world are seeking unity rather than isolation: "Self-isolation means that you eat away at yourself, and I am not in favor of that, because very soon there would be nothing left to eat...."

National Affairs

Spokesman Denies Kuchma-Parliament Standoff Imminent

MK1908104594 Moscow SEGODNYA in Russian 19 Aug 94 p 5

[Report by Konstantin Parishkura from Kiev under the "Ukraine" rubric: "President and Parliament Will Work in Accord"]

[Text] Mikhail Doroshenko, press secretary of the Ukrainian president, has refuted in a briefing suggestions that have emerged after the president's first edicts about his possible standoff with the Ukrainian Supreme Council. "All the edicts have been drawn up on legitimate grounds, and they have all been shown to the Supreme Council chairman. As you see, no negative reaction has followed," Mikhail Doroshenko said. He added that Leonid Kuchma's first economic edict—on currency regulation—is to be signed by the end of this week. The rest will be signed next week. The delay is related to the fairly complex situation in Ukraine. All the edicts have been drawn up after careful consultations with specialists.

"While many people think that at the moment the situation is most favorable for economic reform, the Ukrainian president thinks differently because the situation is very complex," Kuchma's spokesman said. Answering questions from journalists, Mikhail Doroshenko said that Kuchma's economic program is at the stage of preparation. The president plans to unveil it at the second Supreme Council session, which will open in September.

Formulating the president's stance on splitting the Black Sea Fleet, the press secretary said: "It is fairly cautious. The main issue is no longer the ships (although the Ukrainian side insists on taking stock of all the ships in service, including those abroad), but the shore infrastructure. Kuchma's attitude to Boris Yeltsin's proposals on setting up a confederation is also very cautious. At the moment he is studying the situation."

Moroz Interviewed on Domestic, Foreign Issues

WS1908094594 Kiev HOLOS UKRAYINY in Ukrainian 11 Aug 94 p 2

[Interview with Ukrainian Supreme Council Chairman Oleksandr Moroz, by Anatoliy Kraslyanskyy; place and date not given: "The Greatest Happiness for Me Will Be When Prosperity Comes to Every Family"]

[Text] [Kraslyanskyy] Although the first session of the Supreme Council is over, we cannot ignore this issue. I would like you to assess it from the following perspective: Do you think it was a success?

[Moroz] Without going into detail, I would say that a majority of our good intentions have been implemented.

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The first session of any parliament is special, because it is primarily aimed at organizing the legislature's work. This is not an easy task, particularly in our situation, with the Supreme Council formed on a virtually multiparty basis and one-third of the seats still empty.

That is why we had to reach accord and find common interests among different political groupings in order to create working bodies, organize their constructive activity, and choose the right directions of lawmaking. All in all, we have managed to do this. I know that the people support the Supreme Council's first steps in the legislative process.

It is important that we have formulated our stance regarding the principles and directions of economic policy, which could be defined as a "state-regulated market." We have also formed the Cabinet of Ministers to make the executive branch start working without delay.

We established control over the privatization policy. Some people accuse us of opposing reform. This is not true. People should know that we did not stop privatization; we stopped the robbing of the state disguised as privatization. We want to base privatization on legal, normal, and honest principles to protect the interests of every person, company staff, and the entire nation.

We have made a number of important steps toward restoring order in the state. Laws dealing with organized crime and corruption have been toughened. We eliminated the loophole that enabled "latterday slave traders" to sell Ukrainian children abroad. We passed a number of laws that are vital to stabilizing the economy and lifting it from the dramatic crisis.

The efficiency of our work could have been higher, had all the deputies tried to make legislature's work constructive and not continued political battles inside the Supreme Council. It is worth noting that complaints about the legislature are voiced by those deputies who are least absorbed in the everyday activities of the Supreme Council. These people use microphones every now and then to read out statements, complaints, and appeals to dismiss the leadership and dissolve the parliament. Society does not need such things, for they disrupt the implementation of tasks posed before the legislative body. Take a look at the statement by the "Reforms" faction. Some of these people were not engaged in Supreme Council activities and did not attend its sessions. Perhaps that is why they resort to such, putting it mildly, biased opinions.

[Kraslyanskyy] You mentioned the statement by the "Reforms" faction. Could you comment on it in more detail?

[Moroz] The statement was written by Holovatyy, Lanovyy, Pynzenyk, Sobolyev, and Omelchenko. These people remind me of the sergeant's widow who flogged herself [reference to Nikolay Gogol's "Inspector-General"]. Or rather not flogged, but stripped herself. Let us take a look.

"Failure to elect the deputies' corps was taken advantage of by the leftist majority (communists, socialists, agrarians) for their own political interests."

First, there is no such majority in the legislature, because left (relatively left) forces comprise only one-third of the deputies and are equal in number to those who signed the declaration. The theory of the "leftist majority" is being constantly inflated by the foreign press and some domestic papers to justify the failure of rightist slogans in Ukraine and to mask the bankruptcy of the adventurist policy. I continue to quote: "...which forces in most cases do not reflect the objective needs of Ukrainian society's current development." How, then, did left forces make their way to the Supreme Council, if their interests do not reflect the sentiments of the people and the needs of Ukrainian society's current development? Incidentally, the writers of the statement advocated in their electoral programs exactly the same things as the left—social justice, restoration of order in the sphere of privatization, the fight against corruption and crime, and so on. What are they complaining about? "The left majority" is fighting to usurp power in Ukraine. What proof was there in the course of the session? Who saw this?

"...which is substantiated by the appointment of the new prime minister days before the presidential elections." What does "the left majority" have to do with this? More than 200 deputies acted out of the conviction that Masol is a professional who knows what he is doing. Another question is: Whom did they want to be the prime minister? Let them name this person so that we can compare.

"The left's dictatorship in the field of lawmaking prevails in the Supreme Council, which tends to totally revise those acts passed by the former Supreme Council." What acts passed by the Supreme Council have been revised? This is a lie. If someone regards the toughening of criminal laws as "revision," it should be pointed out that an active role in this process was played by one of the writers of the statement. His actions were correct and met with support on the part of the Supreme Council leadership. Is there any logic in his actions?

"The bureaucratic system of command over the Supreme Council has been restored through the presidium, a vestige of the communist system, at the expense of the organizational role of deputy factions and groups."

[Moroz continues] First, the leaders of deputy factions and groups participate as equals in the Presidium's work. The sessions are actually supervised by factions and groups that determine the voting procedure and the mode of the legislature's work. Second, the Presidium organizes sessions and discusses the agenda, although its

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conclusions and documents do not have a decisive role in holding sessions and passing resolutions. This, too, is a complete invention. I believe that the Presidium's role should be enhanced, and a whole range of issues should be placed under its competence, the discussion of which would increase the efficiency of the Supreme Council's work.

"Violations of the principles of civic responsibility, deputy ethics, professionalism, and positive statehood building could be seen within the legislature during the confirmation of powers of the newly elected deputies in parliament, the nomination and election of the head and deputy heads of the Supreme Council, the setting up of the Presidium and commissions, and the preparation and debate of procedures for the Supreme Council's work."

All conflicts over ethics and violations of "the principles of civic responsibility" that flared in the Supreme Council during the confirmation of deputy powers, were evoked by one of the writers of the statement, namely People's Deputy Holovatyy. The question is: Whom does he blame then? As for the forming of the Presidium, the nomination, and election of the chairman and his deputies, everything was done with the Supreme Council's consent, on the basis of a clause passed by the legislature, and on the principles of proportionality and professionalism. It should be openly stated which commission heads do not suit their positions and whom they can be replaced with. In my opinion, we elected people who are more experienced, stronger, and willing to work. It would be more honest to say: I, so-and-so, or the five of us, do not agree with the Supreme Council. We do not like its composition; we do not like the people, for they have elected the wrong deputies.

"The organization, preparation, and holding of session debates were characterized by disregard for alternative opinions and proposals, violations of the constitutional rights of people's deputies, and great pressure on the part of the Supreme Council chairman and deputy chairmen." Again, these are mere speculations. The electors saw that I gave everybody a chance to voice his opinion and did not respond harshly to harsh words.

"Unfortunately, as early as the second day after his inauguration speech, Moroz broke his promise to the deputies that no constructive idea would be ignored. On the contrary, everything possible is being done to celebrate incompetence and dogmatism." This is one of those cases that do not deserve comment. Arrogance is not a trait to be proud of, particularly if someone is a people's deputy. The Supreme Council is made up of competent, respectful people. The quotes that I mentioned, as well as this one—"...devaluation of the professional and intellectual potential of the current Supreme Council is under way"—this is not just demagoguery. This is well-thought-out, coordinated sabotage against the lawmaking body. It is a continuation of the "foul" political fight of those who had pressed for the former legislature's dissolution to win as many seats as possible for their accomplices. These people now hope to fight for power using the same methods. However, this "trick" will not work. The by-elections have proved this. The lawmakers being elected are people who reflect society's sentiments, expectations, and mentality. The Supreme Council's political balance will not change in favor of the writers of the statement. They hope in vain.

[Kraslyanskyy] As you mentioned, you presented the deputies with a key document at the beginning of the session—a concept of major principles for healing Ukraine's political and economic life. Is this concept being implemented? Are there any signs that it is being taken up, or that there are some obstacles? If so, who, which forces are putting up these obstacles?

[Moroz] The process of implementation has started. The government is working on a system of measures whose legal basis is currently being drafted by commissions and will be discussed in September-October.

What we have in mind is to change the tax policy, the policies of prices, salaries, hard currency regulations, and so on—all the things mentioned in the "Major Principles." We are holding consultations with the Cabinet of Ministers, the prime minister, and are taking into account the president's opinion. The president is drafting bills on economic issues. I want to emphasize yet again: We will work in coordination, and will jointly resolve the urgent problems.

Are there structures that hinder the implementation of these directives? Yes, and they are represented in the Supreme Council. The Supreme Council is being pushed toward discussing the abstract issue of hard currency regulation. This issue does indeed deserve discussion, but not in a form that would derail our entire legislation along with the economy. If we took hard currency regulation out of the general context of economic life, as 115 of the deputies are demanding, this would amount to destroying the financial system, eliminating the monetary unit, and allowing certain mediator structures to reap profits by participating in stock-exchange gambling. The protection of exporters is not the main point here, as the initiators of the bill maintain. Exporters are being used as a veil and their interests are of secondary importance. No, the government is right—we should regulate hard currency exchange rates, bringing them closer to the optimum mark, and grant exporters equal rights to sell and buy hard currency at a fixed price. [Kraslyanskyy] In one of your speeches during the presidential election campaign you stated that you would prefer Ukraine to be a parliamentary-presidential republic and not a presidential-parliamentary one. More and more people are currently accusing you of intending to cut certain presidential powers.

[Moroz] Incidentally, the deputies' statement that we have discussed earlier mentions this. Again, this is a lie, given that there has not been any specific step or even declaration in this respect on the part of any factions, or

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the Supreme Council leadership. We believe that there is a law according to which the president was elected and on the basis of which he is currently working. On the other hand, the system of power that has already been legally formed in fact means a parliamentary form of rule. At the local level, it is represented by local councils. That is why we should coordinate these two trends in organizing power. They fit perfectly into the type of rule that combines parliamentary and presidential principles. I understand that this is important for many people who prefer to have things written down on paper. However, this is irrelevant. The essential point is relevant, that is how the parliamentary-presidential or presidential-parliamentary forms of rule are organized. I mean the organization of power, and how the counterbalances are arranged in its various branches. It was no coincidence that we decided to meet the president and council chairmen halfway when they requested us not to finalize the law on local councils until these nuances are agreed.

We are working with the councils, and we want them to come forward with their suggestions. We have suggested that the president submit his proposals on coordinating and balancing the branches of power in such a way that they interact and that none dominates another. I am sure that we will also find a way to strengthen the "vertical" executive structure, which is important in this dramatic period in the life of our society.

[Kraslyanskyy] More than once you urged the introduction of amendments to our state's foreign policy. Could you be more specific and explain what kind of amendments you mean?

[Moroz] First of all, we should enhance the Supreme Council's influence on foreign policy. The latter should be pursued actively and in an aggressive manner.

[Kraslyanskyy] Excuse me, but does the Supreme Council have the prerogative to do this?

[Moroz] The forming of foreign policy is the Supreme Council's prerogative as stipulated by the Constitution. We should not only determine the conceptual directions of foreign policy, but also influence the selection of the diplomatic corps. This is common practice throughout the world. The Supreme Council should know what kind of people are being sent to foreign countries, what principles they are going to uphold, and how deeply they understand Ukraine's foreign policy interests. This is one way to influence foreign policy. Aside from that, the Supreme Council commissions and the Ukrainian legislature in general have direct contacts with interparliamentary organizations, as well as participating in the work of international institutions. All this is a form of stepping up the legislature's influence on foreign policy. I believe that this process should be supported and developed. This is not encroaching on the prerogative of the executive branch, or more particularly the president. Moreover, while working frequently with foreign diplomats, we also cooperate closely with the Foreign Ministry. Of course, foreign policy steps are coordinated with both the president and the Cabinet of Ministers. This is the way it should be.

[Kraslyanskyy] I would like to ask you a couple of personal questions. I know about your past, your hard life. Do you think that you are lucky, born under a lucky star?

[Moroz] You know, people cannot change their destinies. Everybody's star is lucky as long he is alive. To simply live in this world and watch the green trees and ripe apples is happiness. Paustovskiy wrote that anticipation of happiness is more important than happiness itself. For me, happiness lies in anticipating and creating a strong Ukrainian state that people will consider their defender. I want prosperity for every family and, at the same time, I want it to be gained through honest work.

We have only just started moving in that direction, and I believe that there are many happy days in store for us.

[Kraslyanskyy] Most people change when they come to power and, unfortunately, often for the worse. Have you changed?

[Kraslyanskyy] I am not in a position to judge such things. Anyway, I still like to keep in contact with people who I believed to be pleasant before.

[Kraslyanskyy] Have you become more cruel, more kind, or something else?

[Moroz] I repeat, other people have to judge this. I have not become either more cruel or more kind. I remain the same.

Economics Official Notes Continuing Monetary Deficit

LD1808201494 Moscow INTERFAX in English 1829 GMT 18 Aug 94

[Text] If the payments crisis is not resolved soon, the Ukrainian economy will need an addition 300 trillion karbovantsy by early 1995, claims Volodymyr Parnyuk, head of the Ministry of Economy securities market department.

He told Interfax-Ukraine that the money will be needed for enterprises to partially replenish their working capital, pay some outstanding debts for purchased products, and start modernization, since many of them are still manufacturing obsolete and outdated products in low demand.

Parnyuk said the enterprises' continuing money deficit is due to the fact the they are constantly converting the money into material resources to protect the assets from depreciation.

According to Parnyuk, many enterprises have accumulated a large stock of goods. Due to customers' reduced

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purchasing power, the enterprises cannot sell their produce, but refuse to lower prices hoping for more price increases, and government soft loans.

"The more money the government grants to the enterprises, the more money the enterprises put into unused assets, and the more acute the need for money becomes," Parnyuk said.

In his view, using promissory notes for registering debts of enterprises will only postpone rather than resolve the problem of payments. At the same time, this will cause a number of new problems due to that the use of promissory notes is not completely regulated in legal terms.

Parnyuk points out that the Ukrainian laws "On Enterprises in Ukraine" and "On Entrepreneurship" adopted in 1991 stipulate that the procedures of mutual settlements, and other relations between economic entities are to be resolved on a contractual basis. Thus, the issue of promissory notes and their acceptance is a voluntary matter, and no government agency can make an enterprise either issue or accept a promissory note.

Under the law on value-added tax and the corresponding instructions have established that the promissory notes are legal tender.

So if a promissory note is accepted, the enterprise must pay VAT on the amount fixed in the promissory note, although, actually, the enterprises did not get any money.

Finance Official on Currency Regulation Edict

LD1808190394 Moscow INTERFAX in English 1448 GMT 18 Aug 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[Text] At a briefing in Kiev, presidential press secretary Mikhail Doroshenko reported that Leonid Kuchma is likely to sign the decree on currency regulation this week. The document provides for resumption of the Interbank Currency Exchange's work and gradual convergence of the official and market dollar rates.

According to Ukraine's Deputy Finance Minister Boris Sobolev, this process will be implemented gradually.

In his interview with Interfax Sobolev reported that the draft decree says that the official dollar rate will be calculated given results of the trades at the Interbank Currency Exchange and the state of Ukraine's balance of payment. He said, that the draft decree does not establish any definite exchange rate for the dollar because this is the prerogative of the National Bank of Ukraine.

As of mid-August dollar's official rate in Ukraine was fixed in the range of 24,000-26,000 karbovantsyy. Analysts believe that such an exchange rate can meet interests both of exporters and importers.

The agency Interfax-Ukraine learned that signing of the decree is delayed due to the fact that the issue on the share of the currency earnings which is to be obligatory sold to the state has not been resolved yet.

According to analysts, measures aimed at the return of currency valuables from abroad, which are being carried out by the Cabinet of Ministers and the National Bank on Kuchma's order, will improve the situation on the country's currency market.

The presidential press service reported to the agency Interfax Ukraine that Ukrainian enterprises have presented more than 120,000 declarations to the tax inspectorate stating that about 10,000 of them have $378.5 million, 470 million deutsche marks [DM], and 253.4 billion Russian rubles on their deposits abroad.

At the same time as a result of verifications conducted at 526 enterprises it appeared that as many as 88 of them have not declared their currency valuables amounting to $41.4 million, DM 624,800, and 2.2 billion Russian rubles. IF Note: On June 18 former President Leonid Kravchuk signed a decree On Urgent Measures on the Return of Currency Valuables Illegally Kept Abroad to Ukraine and placed personal responsibility for the fulfillment of this decree on leaders of various ministries and departments. In accordance with the decree within 10 days subjects of businessman's activity were to declare currency valuables belonging to them and kept abroad in the National Bank and to present declarations on their incomes to the Main State Tax Inspectorate. In February 1993 Ukraine's Supreme Soviet announced criminal responsibility for opening accounts outside Ukraine without a corresponding permission of the National Bank of Ukraine.

According to the presidential administration, draft decrees on speeding up the land reform and creation of a land bank are being prepared simultaneously with the document on currency regulation. This decision was passed after the president's meeting with scientists from the Agrarian Economics Institute yesterday. The decree is expected to take into consideration proposals of the institute's employees who persist in implementing a radical land reform, in privatizing plots of land, in allocating shares in collective farms in order to protect rights of peasants, and in changing price and tax policy.

Doroshenko reported about Kuchma's intention to address session of the Ukrainian parliament this September in order to present a program for economic transformations. According to Doroshenko, the work on this program is going on.

Kuchma Orders Speed Up in Land Reform

LD1808154394 Moscow INTERFAX in English 1053 GMT 18 Aug 94

[Text] Ukraine's President Leonid Kuchma has given an instruction to draft decrees on land reform and set up a

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land bank. As INTERFAX has learned from the president's administration, the decision was adopted after a meeting with economists on August 17.

Speakers at that gathering called for privatizing land, safeguarding the rights of farmers, and changing the policy of prices and taxes.

Republican Party Focuses on National Consolidation

LD1808211494 Kiev UT-1 Television Network in Ukrainian 1600 GMT 18 Aug 94

[No video available]

[Text] The Ukrainian Republican Party is getting ready for its fifth congress. Our correspondent has interviewed Mykhaylo Horyn, the chairman of the party.

[Begin recording] [Unidentified correspondent] Your party's congress is taking place during a very important period. The formation of new structures of power are now in progress. What are the tactics and strategy that are being developed for the next period of activity, both by the congress and your party as a whole?

[Horyn] I would like to say that our preparations for the congress are thorough. It was preceded by a theoretical conference where various opinions on our party's activity, our current activity, were heard. There were critical comments but the consensus at the end was that our line was correct and that because of the stormy political situation in Ukraine, we should select a niche for the Ukrainian Republican Party's activity in future. We regard this niche as the platform for consolidating the Ukrainian nation.

A comprehensive program of consolidating the Ukrainian nation is now being drawn up in every area. We look on this as a very essential factor in establishing Ukraine as an independent state, for to build a state without a nation that is consolidated will be very difficult or even impossible. My opinion is that this comprehensive program comprising economic, cultural, educational, and propaganda measures, will in this respect enable us to raise the level of our people's national self-awareness and thus make them a very essential factor in establishing Ukraine as an independent state.

[Correspondent] Can you describe the forces that today are identified with the like-minded people associated with you, and which unite them?

[Horyn] I would like to tell you that in many oblasts we have scientific centers of a substantial size dealing with developing concepts and theories. We also have a scientific center attached to the Ukrainian Republican Party's central leadership. This center's experts spoke at our conference. We want to participate in this important historic work in practice, rather than just by declaring slogans. [end recording]

Oblast Leader Views Cooperation With Center

WS1908080094 Kiev HOLOS UKRAYINY in Ukrainian 12 Aug 94 p 2

[Interview with Kiev Oblast Council Chairman Vasyl Sinko by Valentyna Pysanska; place and date not given: "Councils Will Not Become Beggars"]

[Text] **[Pysanska] Vasyl Danylovych, the election campaign is over and the people have elected our oblast council chairman. Although the vagueness of the law does not contribute to successful work, the Supreme Council has already examined the draft Law on Local Councils of People's Deputies, and you, to a certain degree, may already have an idea about what your rights and responsibilities are. What is your opinion in this regard?**

[Sinko] The draft law must undoubtedly be revised. Its essence, however, gives grounds for believing that councils will finally perform the functions envisioned for them by the law. I believe that the era of kitchen maids governing the state has ended, and people's destiny will no longer depend on resolutions by street and house committees.

This also relates to issues such as drafting the budget. Some people think that the budget should be drafted from below and administered by local councils. The majority of councils, however, are not even able to provide for themselves. Second, if local councils are to administer the budget, some of them will become rich, and some will become beggars. What will form the budget then?

Should the people of Skvyra live worse only because large enterprises are located in Brovary? After all, these enterprises were built by all the people. No, I do not understand what kind of a state it will be when Fastiv, Bila Tserkva, and Kiev will have their own budgets.

However, if councils were granted the right to act as co-founders of enterprises, it would be possible to establish nonbudget funds. Councils would not become beggars then...

[Pysanska] You currently have many problems. What is the primary one?

[Sinko] The lack of qualified personnel. Personnel shortages are the reason behind our economic problems. Having destroyed the Communist Party's structure of personnel work, we have not created anything to fill its place. We are now suffering the consequences of that. I consider this to be the primary problem.

[Pysanska] Do you recall the debate on reelections to local councils? Supporters of this idea argued that, in the first councils, there were many random people who came in on the wave of democratization of society. It was enough to benevolently shout "shame" or "down with somebody," and you would immediately become the people's idol. People pinned great hopes on these elections, saying that

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new people would come. Has it happened? Is the new oblast council better than the old one? Or is it at least different?

[Sinko] It is absolutely different. The current council comprises teachers, doctors, specialists, and managers at different levels. Yes, the council has become more educated and mobile, and it is able to perform any kind of work. Still...it is hard to say who is represented by the deputies. There is no single deputy from, as we used to say, the sickle and hammer bloc. I am not sure whether this is good or bad.

[Pysanska] You have become a chairman in the capital oblast. Does this mean anything to you?

[Sinko] It means a lot. We are therefore developing the structure for cooperation with the Supreme Council, the Cabinet of Ministers, and the president. After all, no oblast can be compared with Kiev Oblast in terms of personnel and scientific-technical potential, the level of production, and finally the size of the population.

[Pysanska] It came about that the primary goal of the Kiev Oblast was to feed the capital...

[Sinko] I believe that the entire state should feed the capital. If someone wants to rule very much, there is enough work to do—the residents of our city have polluted all the forests in the vicinity of Kiev, which should serve as parks, but have become dumping grounds instead. The city administration does not consider them its property.

Nevertheless, I am sure that the problem of "the capital and the oblast" is artificial, particularly since in the elections for the Kiev Council chairman, we supported Leonid Kosakivskyy, who eventually won. I thus believe that we will be able to cooperate.

[Pysanska] Your electoral platform included the idea of establishing a small economic council comprising local council chairmen, which would cooperate with the Cabinet of Ministers. I wonder if this idea has been followed up?

[Sinko] Yes, it has. Following the elections, local council chairmen convened in Kiev and established this council. We are currently working on a plan of action for this civil body. What is the idea of such a council? Before another law concerning the economy is examined by the Supreme Council, it should be accepted by those whose interests it affects.

I do not claim that I invented the idea—a similar council of governors has been established in Moscow, and it is contributing to reforms in Russia.

[Pysanska] The Kiev region is harvesting under the extremely difficult circumstances of an energy crisis. Does this mean that grain will remain on the fields?

[Sinko] From all the signs, it is clear that we will be short of almost 500 tons of grain—we will have poor crops. We also expect bad crops of corn. The situation will be extremely difficult.

Will grain remain on the fields? Perhaps some of it will. Currently, this hardly depends on the farmers. There is hope, however, that the prime minister's work and the president's efforts, as well as the immediate rejection of confrontation with all regions of the CIS, will improve the situation.

[Pysanska] Will farmers sell grain to the state? After all, the state deceived them again this year by providing only a third of the fuel needed for procurements.

[Sinko] We should promptly research the economic efficiency of farming, since it is currently producing losses. The more one produces grain, meat, and milk, the bigger are the losses.

For instance, in 1984 it was decided to close all farms in the oblast that produced less than 2,000 liters of milk per cow. We achieved this within two years by a totalitarian method, and after two years, we did not have any unprofitable farms. Now, we do not have any profitable farms...

Farmers will sell grain to the state, and they will sell it at a high price—3.5 million karbovanetses [K] per tonne. Still, this is not big money. Our state has caused an imbalance: Earlier, a liter of heavy oil cost six kopecks and a kilogram of grain cost 9 kopecks; now, a ton of heavy oil costs K8 million. This means that the state should pay K10 million for a ton of grain. I understand that this would be an unpopular decision, since the pockets of our consumers are empty. But this is the result of the high prices for energy sources. The situation on the world markets is different—the price of a ton of oil products equals that of a ton of grain.

[Pysanska] My last question: How do you feel, having assumed such broad power?

[Sinko] I am between a rock and hard place. On the one hand, I have great responsibility toward the people who elected me; on the other, there is the burden of imperfect laws and the complex economic and political situation. However, I am convinced that as soon as we reach a mutual understanding between the people below and the people above, there will be changes for the better.

Moroz, Sevastopol Head Disagree on Fleet

MK1908091494 Moscow SEGODNYA in Russian 19 Aug 94 p 1

[Report by Viktor Yadukha from Sevastopol under the "Meeting" rubric: "Ukrainian President's Representative Favors Sevastopol's Joining Russia"]

[Text] On 18 August, Ukrainian parliament speaker Aleksandr Moroz, who is on vacation at a government resort in Mukholatka, met with Sevastopol City Council chairman, Viktor Semenov, who was also entrusted with the functions of presidential representative by Leonid

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Kuchma's edict. The views expressed by the interlocutors on problems they touched upon during their conversation, to put it mildly, did not always coincide.

The Ukrainian speaker thinks that "Sevastopol's problems should be resolved within our state, without the involvement of our immediate neighbors." Aleksandr Moroz agreed that Russia should finance one-fourth of the budget of the Black Sea Fleet's main base (nearly 1 trillion karbovantsy), but he insisted that the money be pumped through Ukrainian banks (with inevitable losses for Russia and the fleet). The Ukrainian Supreme Council chairman also reaffirmed his opposition to granting dual citizenship to Russian naval officers living in Ukraine.

In Viktor Semenov's view, only one—Russian—fleet should be based in Sevastopol, while the Ukrainian Navy should be withdrawn outside the base. As for the question of financing the fleet, the city council chairman stands for direct transfers of money from Moscow, bypassing middlemen in Kiev and Simferopol. According to Mr. Semenov, his authority as a representative appointed by the Ukrainian president does not hamper in any way Sevastopol's ties with Moscow, so the city will continue to be financed from both capitals. "Sooner or later, Sevastopol will acquire the status of a Russian city," the governor-general believes.

Rukh Boosts Crimean Presence After Kuchma Success

MM1808142594 Moscow KRASNAYA ZVEZDA in Russian 18 Aug 94 p 3

[Report by Vladimir Pasyakin: "Rukh Builds Up Its Presence in the Crimea—Leonid Kuchma's Victory in the Presidential Election Was Determined by the Ubiquitous Support of His Candidacy by the Inhabitants of the Republic of Crimea and Eastern Ukraine"]

[Text] Sevastopol—The People's Rukh of Ukraine [Rukh], a nationalistically-minded organization famous in Ukraine, reacted immediately to this.

Rukh intends to build up its presence and increase its activity in the southern and eastern regions of Ukraine in the wake of the parliamentary and presidential elections. Rukh's Kiev leaders gave notice of this to those people who gathered in Yalta for the constituent assembly on the occasion of the creation of Crimea's second local branch of Rukh. Heorhiy Okolko was elected its chairman.

Rukh is drawing an ever greater number of cities in the Crimea under its influence. And now Yalta, too. The people of the Crimea have witnessed on more than one occasion the provocative acts of the nationalistically-minded Rukh members. And the inhabitants and guests of this peninsula cannot but be concerned about the build-up of their presence, and the reinforcement of the organizational structure. Admittedly, Oleksandr Chaykovskyy, chairman of Rukh's Crimean Organization, says that general democratic values dominate over the national idea in the present day policy of the People's Rukh.

Fine, if this is indeed the case. But what if it is not? What if this is duplicity? In that case, this constitutes a path toward kindling nationalism, confrontation, antagonism. And the Crimea, with its economy geared toward the tourist business, desperately needs peace and accord.

Border Oblast Leaders Discuss Economic Cooperation

WS1908085694 Kharkov SLOBIDSKYY KRAY in Ukrainian 9 Aug 94 pp 1,2

[Article by I. Nikolenko, press secretary of the Kharkov Oblast Council: "With Hopes for the Future"]

[Text] Leaders of Ukrainian and Russian border oblasts discussed problems of mutual relations and cooperation at their extraordinary meeting recently held in Sumy. The delegation from Kharkov was headed by V.M. Tyahlo, deputy chief of the oblast council.

The principal goal that the participants in the meeting decided to achieve was to adopt a draft agreement between the governments of both states on cooperation among the border oblasts. During the recent visit by the Ukrainian Supreme Council chairman to Moscow, the issue of cooperation among border oblasts received due support on the part of leaders of Russia's State Duma and the Federation Council of the Federal Assembly. The extraordinary nature of this meeting was thus dictated by the need to improve the previously approved documents.

The agreement's new text consists of 17 articles. It is intended to deepen the integration of the economies of both countries and take constructive measures to remove obstacles to the free circulation of goods, services, and capital. It is also designed to simplify border, customs, and immigration control procedures.

The draft attached particular importance to ecological issues. In order to preserve the environment, the sides committed themselves to ensure the proper utilization of nature and promote the development of special programs of environmental protection, especially in contaminated areas.

The participants in the meeting also addressed cooperation in the humanitarian sphere, including education, science, culture, health care, and sports.

The approved document notes that the executive bodies of the border oblasts will each resolve their own issues related to the mutual use of labor force, the direct exchange of scientists, scholars, students, and creative workers, and will conduct coordinated policies in the sphere of labor relations, etc. At the same time, no discrimination of citizens should be allowed here.

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Given the complicated crime situation, the sides committed themselves to provide favorable conditions for cooperation of their law-enforcement agencies. Executive bodies of the border oblasts will sign cooperation agreements within the limits of their competence.

A range of other issues also were examined and agreed upon. In particular, changes were made to the statute of leaders of both sides in accordance with the Ukrainian Law "On the Formation of Local Power and Self-Government Bodies."

Deputy Premier On Atomic Industry Priorities

WS1908105694 Kiev HOLOS UKRAYINY in Ukrainian 12 Aug 94 p 3

[Interview with Ukrainian Deputy Prime Minister Valeriy Shmarov by Volodymyr Dupak; place and date not given: "No One Moves to Russia for Permanent Residence. People Go There To Moonlight, But..."]

[Text] The government is ready to take radical steps. This, however, calls for the correct "diagnosis" and... money, Ukrainian Deputy Prime Minister Valeriy Shmarov noted during the visit by a government group of specialists to the Zaporizhzhya atomic plant. Although time was short—the group was scheduled to visit the Pivdenno-Ukrayinska atomic plant—Mr. Shmarov answered questions from a HOLOS UKRAYINY correspondent.

[Shmarov] The present complicated energy situation is no secret. Given the sad experience of last winter, we are now trying to take radical steps to prevent anything similar from happening. The run-down condition of thermoelectric stations and their excessive energy consumption is putting atomic power in the forefront. Proof of this lies in the fact that over the past six months, 33 percent of electricity in Ukraine was generated at atomic power plants.

Therefore, no unit—especially one such as No. 6 at the Zaporizhzhya atomic plant—can be left unaccounted for in our energy balance. The government is studying in great detail the situation in the industry and at all plants to understand and, most important, locate its critical factors, which would enable the correct decisions to be made; that was how Valeriy Shmarov explained the purpose of his "raid" on the atomic stations. To get cheap energy, one needs the money to pay for uranium, maintain stations, conduct modernization, ensure nuclear safety... Unfortunately, many of these things require hard currency. As a matter of fact, this is the main problem facing the industry.

[Dupak] ...and of the leadership of the Zaporizhzhya nuclear plant in preparing to commission the aforementioned unit No.6. Can we be certain that this will happen by the end of the year?

[Shmarov] I am certain about this—of course, not because of what I saw here, but after I have listened to reports by experts, including designers, construction workers, contractors, and the station's director Volodymyr Bronnykov. I think unit No. 6 will definitely become operational by the end of this year.

Its activation timetable has already been determined. It will end up on the desks of the Finance and Power Engineering Ministries. We will fulfill our task—to timely finance works specified in the timetable; and the construction workers will fulfill theirs—to commission the unit. This will be a substantial contribution to Ukraine's electricity supplies.

At the same time, I would like to note that we are not ignoring other uncompleted nuclear facilities, including those in Khmelnytskyy and Rivne, where we plan to go. In spite of the large scope of works to be done at those five facilities, we will not refuse to build them. After all, substantial state funds—or rather national funds—have been invested, and it would be a crime to squander them. We will complete construction of those facilities, even though this may drag on for at least five or six years.

[Dupak] The cost of one kilowatt-hour is 4.5 times higher than what the consumer pays for it. Given the present market relations, the question is why is electricity not becoming more expensive?

[Shmarov] The position of Leonid Kuchma, our president, and the present government is not to take any steps that would be stressful for society, but to try instead to stabilize prices. The state is preparing the industry right now. This also applies to coal, oil products...

[Dupak] Still, everyone understands that this may end!

[Shmarov] Yes, everyone understands that redistribution is under way, leaving certain social groups in an unfavorable situation compared with others. Nevertheless, this approach is probably correct.

To have electricity and the Ukrainian atomic stations operating safely, our state needs to resolve another complex issue of how to retain qualified experts at those stations. Is there an answer to this question?

At present, wages in the atomic industry are the highest according to the current tariff scales. This, however, does not create stability. While picking up 6-7 million karbovantsi—which is even more than miners earn—experienced operators and repair personnel have a lot of opportunities to moonlight, as they say, and earn some money outside the station. This prospect attracts many people.

[Dupak] Plus, quite a few specialists move to Russia...

[Shmarov] No one moves to Russia! They go there to moonlight, but maintain their apartments, dachas, garages, and all kinds of social benefits here. And thanks to a flawed conversion rate, if I may say so, they return to Ukraine and get a great deal of cash, with all their rights here still intact. This is the main topic for discussion and the target of awareness programs...

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Belarus

Chigir Signs Debt Payment Plan for Russian Gas

LD1808154494 Moscow ITAR-TASS in English 1449 GMT 18 Aug 94

[By BELINFORM-TASS]

[Text] Minsk August 18—Belarusian Prime Minister Mikhail Chigir signed on Thursday a plan for paying off his republic's debt to Russia for natural gas shipments. As of August 12, the debt had risen to 425 million U.S. dollars. According to the payments time-table, the Belarusian debt to "Gazprom", the Russian gas monopolist, should by eliminated by April 1, 1995.

Several days ago, the Gazprom management sent a warning to the Belarusian Government that Russian gas supplies would be cut off if the republic did not take steps to meet its debt payments.

Legislative Session To Focus on Anti-Crisis Plan

WS1908080294 Minsk Radio Minsk Network in Belarusian 0700 GMT 19 Aug 94

[Text] Some 50 issues are expected to be discussed at the upcoming session of the Belarusian Supreme Soviet. It is expected that the parliamentarians will, first of all, examine draft laws on elections, the Cabinet of Ministers, and improvements to the self-government system. Prime consideration will be given to a program of urgent measures proposed by the Belarusian president to lift the Republic's economy out of its crisis. Several groups of economists are currently working on this document. They expect that all work on it will be completed by early September. Members of the Economic Council answerable to the Supreme Soviet chairman have also submitted their own proposals regarding the draft program.

Official on Military Scrap, Deals With Ukraine

WS1808083994 Minsk VO SLAVU RODINY in Russian 11 Aug 94 p 1

[Interview with Colonel Anatoliy Rakitskiy, chief of the Belarusian Armed Forces Armored Service, by Grigoriy Solonets; place and date not given: "We Need a National Program of Armaments and Supplies For the Army"—first paragraph is VO SLAVU RODINY introduction]

[Text] The scrapping of military hardware is continuing at the Borisov plant No. 140 in line with international agreements. Four tanks are daily cut into pieces with blowtorches. The work is carried out according to a schedule, but.... Some 20,000 tons of armored steel have piled up on the grounds of the plant and are dumped in the open.

[Solonets] Do you not find this situation paradoxical, and why has it developed? All of a sudden, high-quality armored steel turned out to be unwanted by anyone.

[Rakitskiy] The point is that, following directives from the Defense Ministry and the State Department of Planning, on 9 August 1993 repair plant No. 140 signed a contract for shipments of armored steel scrap to the Belarusian metallurgic plant. Since the agreement was enacted (it expires at the end of 1994), we have shipped about 10,000 tons of metal. Zhlobino metallurgists, unfortunately, are unable to process such volumes of steel and they refuse further shipments. This is the reason for the overstocking of our yards.

[Solonets] We cannot simply dump the high-quality scrap metal. Would it not be better to sell some of it abroad and earn hard currency?

[Rakitskiy] Yes, and at the beginning of June the government approved the selling of 20,000 tons in the foreign market. The Borisov plant then signed a contract with the "Dekorum" mediator company but everything came to a halt because there was no state license, without which the contract is considered invalid. Obtaining the license turned out to be an extremely complicated process—under the new political circumstances nobody "at the top" was willing to assume responsibility, given that the contract involved selling strategic materials to a foreign country, particuularly since a private company, and not a state organization, acted as mediator.

[Solonets] Is it wise to halt an advantageous contract just because there were no other mediators?

[Rakitskiy] I have no doubts that selling some of the scrap metal would be very profitable. Our specialists calculated that the scrapping of one ton of steel costs us $15 to $20. Meanwhile, under the contract we would have gotten $110 per ton, which is comparable to world prices.

[Solonets] It seems that we have untold riches at our feet but cannot bend down to get them....

[Rakitskiy] Something like that.

[Solonets] What other problems are the Armed Forces Armor Service facing?

[Rakitskiy] Incidentally, what we have been discussing here is not our problem; it is the state's problem. The military do not have to deal with sales of surplus arms or armored scrap. Our business is simple—learning how to fight. However, we have to carry this burden against our will.

As we all know, the Belarusian Armed Forces were formed on the basis of the Belarusian military district, which represented the top of the operational level in the Soviet Army's overall structure. At present, having won sovereignty and independence, the Republic has to resolve strategic tasks which used to be handled by Moscow. These things need to be dealt with seriously and with an eye to the future, but meanwhile we still have no national program of armaments and supplies for the army. We continue to use old stores left over by the

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former military district. These may be exhausted in a couple of years. What will we do then?

The Armored Service and the tank-and-engineering supply units are doing their best to maintain a high level of combat readiness. We are pleased with the contribution of Colonels V. Gorbatov and V. Yefremov, Lieutenant Colonels A. Zimich, and V. Lukyanovich, Major A. Aksenov, and others.

[Solonets] Our conversation is interrupted by a telephone call from our Ukrainian colleague General Major Volodymyr Medvid. I can hear Anatoliy Rakitskiy saying: "Your people can come tomorrow. We will check the list of spare parts and draw up documents together. We will agree to a barter exchange, since we need your paint, solvents, and air-tight materials to mothball our hardware."

Frankly speaking, I was happy to hear this dialogue between professionals. Soldiers, unlike politicians, have no difficulties in finding a common language.

[Rakitskiy] They are repairing airborne armored vehicles and reconnaissance vehicles at a Zhitomir plant, but have difficulties with spare parts and subassemblies. Meanwhile, we have a surplus of them. The situation is similar with regard to T-64 tanks, which are still used in the Ukrainian Army. We scrap these tanks as provided for by the treaty, yet we keep the components and subassemblies.

On the other hand, we have to carry out major repairs at the same Zhitomir plant, but we are short of funds. We are now discussing the mechanism for selling 600 T-62 engines and the same number of gear boxes to Ukraine. This order is very advantageous for us, because it provides work for the Borisov plant No. 140, and also because the Ukrainian side will be paying in hard currency.

This is military cooperation in action. I think this is a normal and natural process: By helping one another we become stronger.

[Solonets] Our readers would probably not forgive me if we limited our conversation to hardware. Could you tell us about yourself?

[Rakitskiy] I am 44. I spent 12 years in the polar regions where I was promoted from lieutenant to lieutenant colonel, the deputy regimental commander for armaments. I am a graduate of the Armor Academy and have served as deputy mechanized rifle division commander in Czechoslovakia. I was appointed to my current post in May 1994.

My son has followed my footsteps and decided to become a tankman. My daughter is still at school, and my wife is an unemployed teacher. This is my entire family, aside from the army.

Civic Committee 'Prototype' for Presidential Party

WS1908110694 Minsk Radio Minsk Network in Belarusian 1200 GMT 19 Aug 94

[Text] The Civic Committee in Support of the Belarusian President has been established in Brest. The Officers' Union organization in the city, which actively supported Lukashenka during the presidential campaign, was the first to come with this initiative. The goals of the committee, which may become a prototype for a presidential party in the future, include fighting corruption and maintaining close ties between the president and the people. Barys Kozenkov, deputy in the Brest City Council, became leader of the committee.

Lukashenka Reportedly Injures Back, Bedridden

WS1908105494 Minsk BTK Television Network in Belarusian 1800 GMT 17 Aug 94

[Text] According to information from the presidential administration, Belarusian President Alyaksandr Lukashenka did not leave for his office on 17 August. This is connected with the fact that he has injured his back while engaged in a sporting activity and has been ordered to stay in bed for several days.

Condition Attributed to 'Overwork'

WS1808133294 Minsk BELAPAN in English 1300 GMT 18 Aug 94

[Text] As a BELAPAN correspondent was informed at the administration of the president of the Republic of Belarus, Alyaksandr Lukashenka did not come to work on August 17-18 for reasons of health. But he has not been hospitalized and is undergoing a course of treatment in his Minsk residence. According to the presidential administration, most likely, overwork has told on him: Alyaksandr Lukashenka did not take leaves during over three years, and after his election to the post of president he worked practically without rest-days. The president is expected to turn up for work on August 19 or 20.

Moldova

Gagauz Party Calls For 'National Conciliation'

AU1808174094 Chisinau BASAPRESS in English 1920 GMT 16 Aug 94

[Text] Chisinau BASAPRESS, 16/8/1994—Today, the Presidium of the Party "Vatan" (Motherland) held a meeting in Comrat. It made a declaration calling for national conciliation and cooperation among all ethnic groups to overcome the crisis faced by the South Moldovan districts. Andrei Cheshmeji, party leader and head of the so-called Gagauz education and science department, stated that "Vatan" is the successor of the "Gagauz Khalky" (Gagauz people) National Rebirth Movement. The party wants to set up local branches and is preparing for celebrating August 19, the 4th anniversary of the Gagauz republic, he said. The party's program

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and statute which have much in common with the socialist and communist parties indicate the ways out of the crisis experienced by entire Moldova and, in particular, the Southern districts. Supporting the adoption by the Moldovan Parliament of the Gagauz Eri-Gagauzia" project of special status, "Vatan" will continue its fight employing political methods to allow the Gagauz people to self-determine as it chose on March 6, 1994, said Cheshmeji. "Vatan" was constituted in March.

Pro-USSR Party Leader Visits Dniester

AU1808191994 Chisinau BASAPRESS in English 1920 GMT 16 Aug 94

[Text] Chisinau BASAPRESS, 16/8/1994—Vladimir Danilov, leader of the National Unity Party (NUP) which favours USSR's restoration and has 147 representations in seven ex-Soviet republics, visited Southern Moldova and the Odessa region. Danilov told BASA that his visit aims at creating new branches of the party. He met with Alexandru Caraman, Dniester vice president, and Comrat leaders Stepan Topal and Mikhail Kendigelyan. According to Danilov, the USSR's restoration was received with understanding in Tiraspol and Comrat. He deemed positive the activity of the Bessarabian branch which was set up this April in Ciadar Lunga, mentioning that the NUP ideas are more popular in Dniestser and Southern Moldova. Moldovan and Ukrainian organizations will soon register as separate parties, stated Danilov, adding that these new parties will not give up the strategic course of restoring "Unitary Russia." BASA learned from the Moldovan Justice Ministry that no such party applied for registration.

Prospects of 14th Army Withdrawal Viewed

AU1808190394 Chisinau BASAPRESS in English 1920 GMT 16 Aug 94

["Political Commentary: Moldova Agreed With Terms of Withdrawal Proposed by Russia"]

[Text] Chisinau BASAPRESS, 16/8/1994—In the 10th round of Moldovan-Russian talks, Chisinau agreed with the 3-year period for the Russian military troops' withdrawal after the official signing of the agreement. Some Chisinau officials regard the results of the negotiations as a diplomatic success and believe that time has come to count the 36 months required for the withdrawal. Their opponents, leaders of the largest opposition parties as well as Tiraspol leaders are skeptical about Russian troops' departure within the agree period. According to Chisinau opposition, it is "naive" to believe that Russia will suddenly pay heed to Moldova's interests and give up its regional interests. On the other hand, after Dniester representatives left the talks, Tiraspol officials stated that they "will not be responsible for the fulfillment of any decision or agreement concerning the Russian military contingent and armament located in Dniester made without Dniester delegation's presence." They implied that they will not prohibit the actions of socio-political organizations opposing the 14th Army's withdrawal which will perhaps bloc the railways or the Russian munitions warehouses. Moreover, Igor Smirnov [Dniester president] did not wait for people's protests and ordered the supervision of the 14th Army properties. According to General Aleksandr Lebed [commander of the 14th Army], on an order by Smirnov, Dniester guardians established sentry posts at the Colbasna munitions warehouse, and the Dniester security began to compile lists of people unloyal to the local regime. The signs of escalating situation mentioned by Lebed and Dniester leaders began long before the agreement on the 14th Army's withdrawal was approved and the Russian Defense Ministry's directive on General Lebed's dismissal was issued. Moreover, if Aleksandr Lebed's hint that he will find a place in the Russian public life is taken into account, it will become clear why Russia could change its attitude toward the negotiations and the 14th Army reorganization. Judging after Boris Yeltsin's recent statement on the important role played by the 14th Army in the resolution of the Dniester conflict, the Kremlin could change its intentions to reorganize the 14th Army. Local observers had enough reasons to see a direct connection between Chisinau's availability to make compromises and Moscow's intention to "sacrifice" the "rebel" general. Before the 10th round of negotiations Moldovan vice foreign minister, Nicolae Osmochescu, stated that the Moldovan delegation will insist that the withdrawal be carried out within 1-5 years. Moldovan delegation head's arguments that military experts recommended this period after a thorough analysis of the technical aspects of the withdrawal only worsened Nicolae Osmochescu's delicate situation. Local observers believe that the Moldovan officials accepted the 3-year period because they regarded Grachev's decision on 14th Army general staff reduction as the first step of its withdrawal. Meanwhile, 128 tonnes of Dniester banknotes arrive in Tiraspol, peace keepers are periodically got on fire [as received] and General Lebed says that he is not yet disappointed by his mate Pavel Grachev who, in his opinion, could eventually change his decision on the 14th Army reorganization.

Snegur Attends Cabinet Session on Constitution

AU1808190794 Chisinau BASAPRESS in English 1920 GMT 16 Aug 94

[Text] Chisinau BASAPRESS, 16/8/1994—Today, a joint session of the Moldovan legislators and cabinet members was held in Chisinau to discuss the Constitution promotion, states a presidential press service communique. President Mircea Snegur took part in the session, too. The session "decided to create working groups that will go to Moldovan districts and cities to organize this process," states the communique. "It is very important to eliminate the void between the people and their representatives. Only in this way we will consolidate Moldova's statehood," stated Deputy Speaker Dumitru Motpan, leader of the Agrarian Democratic Party of Moldova (PDAM).

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President Snegur said during the session that "concrete arguments must be used to denote which are the real purpose of the opposition which launched a campaign of discrediting the Constitution and ruling party." Snegur added that "conclusive examples must be given to people that the current leadership does its best to provide the population with all it needs despite the consequences of a military conflict provoked from outside and two droughts experienced by Moldova during three years," states the communique.

New Currency Introduced in Dniester Region

MK1808101594 Moscow SEGODNYA in Russian 18 Aug 94 p 4

[Report from Tiraspol by Yuriy Selivanov under the "New Currency" rubric: "Suvorov Once Again in Tiraspol. The Dniester Region Has Acquired the Final Attribute of Statehood.]

[Text] The arrival in the Dniester Region of the long awaited new banknotes, printed and then seized at the Moscow Mint, has created a new situation in the financial-economic and political life of Moldova. The Chairman of the Dniester Bank, Vyacheslav Zagryadskiy, who directed the operation to bring the currency to the Dniester Moldovan Republic, announced that in this fashion, "the final fat dot has been placed over the last 'i' in the process of forming Dniester statehood." Mr. Zagryadskiy categorically rejected the suggestion that the receipt by Tiraspol of the new money, which had been seized earlier by Moscow, was connected with a change in the Russian leadership's orientation towards the Dniester problem. Nevertheless observers think that the positive outcome for Tiraspol in this matter could not have come about without a certain evolution of the Russian position on the Dniester problem. In particular, the opinion is being expressed that Moscow, having allowed the Dniester authorities to pick up their money, in this fashion reestablished the political balance between Chisinau and Tiraspol, which could have been destroyed as a result of the decision to withdraw Russia's troops from Moldova.

In the next two weeks the new Dniester money, paper notes in denominations from one ruble to five thousand rubles, will be introduced into circulation. The money, with the image of the founder of Tiraspol, Aleksandr Vasilyevich Suvorov, will replace the last banknotes on the territory of the former Soviet Union having the portrait of V.I. Lenin. The official exchange rate will be one new Dniester ruble for 100 old rubles.

During the last days prior to the monetary reform, the population has feverishly undertaken to dump the old notes, increasing the volume of sales in Tiraspol stores by three and four times. The exchange rate of the "suvorika" (the name locals gave to the coupons introduced by the authorities last year) has recently fallen catastrophically, from 12,000 to the dollar to 40,000 to the dollar. However Mr. Zagryadskiy evaluates the situation optimistically, suggesting that the "temporary difficulties" connected with the exchange of money will be overcome and the new currency will open the path to real stabilization of the economy of the Dniester region. By his calculations, the imported banknotes will more than suffice to cover the regions' need for cash. The financial reform in the Dniester region has evoked a stormy reaction in Chisinau. The directors of various Moldovan government organizations have been bombarding Tiraspol with phone calls with a single request: to delay the introduction of the new money. Moldovan Prime Minister Andrey Sangeli flew to Moscow with a special mission to discuss the problem. However it is very unlikely that any aspect of the situation which now exists can be changed. In fact, the residents of the Dniester region themselves by no means consider the introduction of their own currency as a barrier to the future development of closer relations with "right bank" Moldova.

Government Reports 24.7 Percent Fall in GNP

AU1808192194 Chisinau BASAPRESS in English 1920 GMT 16 Aug 94

[Text] Chisinau BASAPRESS, 16/8/1994—In January-July, 1994 Moldova's Gross National Product decreased by 24.7 percent compared with the same period of 1993, indicates a report made public today by the Statistics Department. According to the same source, the output at the enterprises of the Ministry of Industry diminished by 45.6 percent, and in the light industry by 54.6 percent. Statistics indicate a decrease by 9 percent in the overall agricultural yield at all farms, including the public sector by 14 percent. In January-July the construction works decreased by 52 percent. Experts gauge that almost all economic areas undergo recession as a result of the financial blockade and bankruptcy of economic agents. The retail of goods diminished by 57.3 percent. According to statistics, in June the average monthly salary stood at 106.7 lei which is 5.8 times as high as in June 1993 while in the same period consumption price indices increased 11.6 times.

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Tajikistan

Rebels Attack Russian Guard Post in Gorno-Badakhshan

LD1808150994 Moscow ITAR-TASS World Service in Russian 0741 GMT 18 Aug 94

[By ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe, 18 Aug (ITAR-TASS)—Tajik opposition fighters engaged in new provocatory actions against Russian border guards in Vanchskiy rayon, in the Gorno-Badakhshan autonomous region. Brandishing weapons, they blockaded a Russian border post on the stretch covered by the 7th outpost of the Khorog border detachment from yesterday evening until 0400 this morning. After this, they made off in the direction of the rayon center, Vanch. The ITAR-TASS correspondent was told this by competent military sources in the Pamir region of Tajikistan.

According to information from these sources, the provocation was aimed at exerting moral pressure on the Russian border guards and preventing this stretch of the Tajik-Afghan border from being further reinforced.

It is easier to smuggle goods, including arms and drugs from Afghanistan through a "semi-transparent" cordon, and Tajik opposition fighters are involved in this.

The shelling from Afghan territory of the border Turk Heights under the 12th outpost of the Moscow border detachment has not stopped. Four rocket projectiles were launched during the last two hours.

Tajik, Afghan Rebels Attack Russian Border Guard Post

Three Border Guards Killed

LD1908061694 Moscow ITAR-TASS World Service in Russian 0551 GMT 19 Aug 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow, 19 Aug—During the night, Tajik militants backed by Afghan mojahedins headed by Kori Khamidullo, who organized and carried out an attack on the 12th border outpost in July 1993, and by Arab mercenaries from Afghanistan attempted to seize border posts and destroy them.

The personnel of the border posts, backed by artillery, managed to repulse the militants' attacks. There were casualties among the attackers. ITAR-TASS has learned from the press service of the Russian Federal Border Service that three Russian border guards were killed during the fighting last night and five were wounded.

The group of Russian border troops in Tajikistan said last night that the situation on other stretches of the Tajik-Afghan border has also become aggravated. It is particularly complex in the areas controlled by the Pyandzh and Khorog border detachments. Armed formations are stepping up their activities aimed at frustrating normalization of the situation in Tajikistan on the eve of the elections.

News Agency Reports 7 Killed

LD1908074994 Moscow Radio Rossii Network in Russian 0700 GMT 19 Aug 94

[Text] Seven Russian border guards were killed and 113 were wounded while repulsing an attack by Tajik militants and Afghan mojahedin at the 12th outpost of the Moscow border detachment in Tajikistan last night. This was reported by INTERFAX. The militants tried to seize and destroy border posts belonging to the border troops subunit but were decisively repulsed by the border guards. The attackers suffered great losses and were thrown back into neighboring territory.

Radio Reports No Victims

LD1908092194 Dushanbe Radio Tajikistan Network in Russian 0400 GMT 19 Aug 94

[Text] The Russian border post from the 7th detachment of the Khorog border unit was surrounded for several hours by local fighters. It became known later to the KHOVAR news agency and from military sources that the border troops were surrounded from 2100 on 17 August until the morning of 18 August. As a result of the measures taken the fighters withdrew. It is not known what their aim was in taking such actions. In the last few days shooting on Tajik border territory from the territory of Afghanistan has sharply increased: The Turk border post from the 12th outpost of the Moscow border detachment came under artillery fire 10 times from the Afghan border. The border guards adopted appropriate measures. There are no victims among the servicemen.

Tajik Troops Killed in Clash With Opposition

LD1908081994 Moscow ITAR-TASS World Service in Russian 0720 GMT 19 Aug 94

[By ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe, 19 Aug (ITAR-TASS)—More than 10 members of the Tajikistan Interior Ministry were killed and about 20 were wounded as a result of a clash with a Tajik opposition grouping on Thursday morning in the republic's eastern Komsomolabad Rayon, about 150 km from Dushanbe.

Reliable sources in Dushanbe told an ITAR-TASS correspondent today that, while "combing" the mountainous outskirts of this region where remnants of an antigovernment grouping were supposed to be in hiding, a militia subunit were ambushed by fighters near the Komsomolabad village of Yakhakyurt.

An operational investigation group of the Tajikistan Interior Ministry has now been set up and has been in Komsomolabad rayon since yesterday.

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Opposition's 'Large-Scale Offensive' Viewed

LD1908101894 Moscow ITAR-TASS in English 0923 GMT 19 Aug 94

[By ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe August 19 TASS—The armed opposition in Tajikistan has begun a large-scale offensive from its bases in Afghanistan against the Russian border guards in the area. Backed by mercenaries from Afghanistan and other Arab countries, the Tajik opposition began an attack against the Russian border guards on August 17 both from the Afghan side of the border and from the rear. "That is no longer just the internal affairs of Tajikistan, that is a challenge to Russia", according to Colonel Vladimir Novikov.

Up to 300 opposition guerrilla fighters have secretly taken up positions to the rear of the border troops of the 12th Moscow border stretch, the acting commander of the Russian border guards in Tajikistan said at a special press conference on Friday. Novikov specified that the opposition was using rocket launchers, high- calibre machine guns, anti-aircraft guns, and even air power and armoured vehicles in their offensive.

According to Novikov, the Russian defenders repulsed more than 15 attacks just Thursday night, without budging an inch from their positions. The enemy has suffered losses, but the Russian soldiers have too. At the time of the press conference, there were seven Russian servicemen killed and 13 injured.

Reinforcements are being called up from the reserve units of the Russian 201 Division and the Tajikistan Security Ministry to be sent to the battlefield, in agreement with the republic's leadership and the command of the collective peacekeeping forces in Tajikistan.

Novikov stated that the enemy had about 500 fighters engaged in the attack on Russian border guards. It has been confirmed that the Tajik opposition has complemented its ranks with mercenaries from Afghanistan and other Arab countries, which means that the attack is aimed not just at the Tajik Government, but at Russia as well.

Colonel Novikov noted that other sectors of the border were being put under serious pressure as well. In danger is the Gorno- Badashkhan section. Other reports have indicated that the armed opposition is planning a serious strike against the Pamir Tajik- Afghan border stretch.

The opposition leaders' plans are fairly well known. They want to blow a few holes in the border, get a good toehold in the Pamir Darvaz region, turn that into a "special rule zone", and transfer the so-called "government-in-exile", headed by Said Abdulla Nuri, to the territory of Tajikistan. However, the acting border guard commander stated, the defenders have enough personnel and material resources at hand to repel the opposition's attacks.

Deputy Security Minister on Situation in Republic

LD1808214294 Moscow ITAR-TASS World Service in Russian 1241 GMT 18 Aug 94

[By ITAR-TASS correspondent Galina Gridneva]

[Excerpts] Dushanbe, 18 Aug—It is not ruled out that the armed Tajik opposition could attempt to disrupt the presidential election and the referendum on the new constitution of Tajikistan scheduled for 25 September. Anatoliy Kuptsov, first deputy security minister of Tajikistan, voiced this opinion in an interview with an ITAR-TASS correspondent. That these plans are beginning to be put in practice is borne out by the fact that anti-government groupings are becoming more active in the Pamir area, and especially in Tavildaryinskiy Rayon where fighting from fixed positions between subunits of Tajikistan's Defense Ministry and detachments of irregulars of the Tajik opposition have been going on for three weeks, the general said.

There have also been increasingly frequent provocations against the Russian border guards by armed formations from Gornyy Badakhshan which call themselves self-defense detachments.

According to the high-ranking official of the Tajik security services, several underground opposition groups exist in Dushanbe itself. Part of them has been disclosed and neutralized, and the search for others is being carried out jointly by the Security and Interior Ministries. It is possible that some of these groups were involved in the killings of the Russian and Tajik officers and several civilians in May 1994. [passage omitted]

However, the armed opposition does not possess a sufficient potential to undertake armed operations on a large scale or, even less so, to take revenge for its defeat in December 1992. "I often visit different provinces in the republic and have recently returned from the Pamir, and I can see that most people are tired of the war and do not want to be drawn into a new bloody conflict in Tajikistan, like the one which went on for eight months in 1992. The population of the regions I visited does not support the armed opposition," said the general.

He said that the law enforcement bodies in Tajikistan and subunits of the republic's Defense Ministry would do all they can to suppress the anti-government forces and put an end both to the armed and the ideological subversive activities. "We shall also take a series of measures to ensure that the electoral campaign, as well as the presidential elections and the referendum on the new constitution, should be carried through safely."

Opposition Leader Accuses Moscow of Disrupting Talks

LD1808195894 Moscow INTERFAX in English 1541 GMT 18 Aug 94

[Text] The Tajik opposition has accused the Russian Foreign Ministry of disrupting a regular round of talks between the opposition and the republican authorities.

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The chairman of the Coordinating Center of Tajikistan's Democratic Forces in CIS States, Otakhon Latifi, told a news conference in Moscow Thursday that, "Tajikistan is becoming a card to play in the complicated relations between the U.S. and Iran." He added that the Russian Foreign Ministry, while claiming it seeks to bar Moslem fundamentalists from power, in fact stands with the Dushanbe regime in supporting the idea of holding presidential elections and a referendum on the Tajik Constitution. Under the current circumstances when one third of the electorate are beyond the borders of the country, as refugees, such elections would be totally illegitimate, Latifi said.

According to Latifi, the Tajik authorities and the opposition have in principle agreed to establish a cease-fire provided all prisoners of conscience are freed and political parties and opposition press are able to resume their activities. However, the government delegation disrupted signing the document due to pressure from the head of the Russian mission, Aleksandr Oblov.

The Tajik opposition believes that the armed confrontation can be ended only by joint consideration of the country's political problems, consolidation of its statehood and work on a new constitution. Only after this, may the republic be ready for democratic elections. If the opposition agrees to the elections, even if it wins them, the regime will nonetheless seek to retain its influence by force, leading to more bloodshed, Latifi said.

Rakhmonov's Moscow Visit Seen as Campaign Move

MK1808113294 Moscow NEZAVISIMAYA GAZETA in Russian 18 Aug 94 p 1

[Report by Oleg Panfilov under the "Collision" rubric: "Back to Dushanbe, Empty-Handed. Opposition Has Downed Yet Another Government Army Helicopter"]

[Excerpts] The 16 August meeting, which started at 1500, between Russian Prime Minister Viktor Chernomyrdin and Tajikistani Supreme Soviet chairman Emomali Rakhmonov, who arrived in Moscow on that same day, was preceded by the latter's visit to Andrey Nikolayev, commander of the Russian Federation Border Troops. The closed-door encounter lasted for nearly an hour, and afterward a small news conference took place, during which Rakhmonov looked somewhat depressed.

Rakhmonov was in a more or less similar mood after his meeting with Chernomyrdin also. It has transpired that the Russian government refused to give assistance to his regime. By some accounts this refusal was explained by political instability and Dushanbe's reluctance to negotiate with the opposition. [passage omitted]

It seems that the Moscow visit was prompted more by election campaign considerations than by the country's economic situation, because in his public statements Rakhmonov promised the voters both wages and Russian support. It was also important for him to learn Russia's attitude to his election rival, Abdumalik Abdulladzhanov, who is Tajikistani ambassador to Russia. For his part, Abdulladzhanov, having performed his duty of meeting Rakhmonov in Moscow, is in fact pursuing his own line. In particular, on the morning of 17 August he was scheduled to meet with Russian First Deputy Foreign Minister Albert Chernyshev.

In the aftermath of what happened in Moscow, it should be expected that the situation in Dushanbe and the republic's southern areas would deteriorate. Having been cutoff by his erstwhile Russian patrons and receiving a non-confidence vote from UN and the CSCE, Emomali Rakhmonov could make an inherently doomed attempt to set up a sort of junta that would be able to stay in power only with the use of weapons.

According to sources in Dushanbe and suburban districts, men in fatigues armed with automatic rifles are already walking from one apartment to another, conducting political "agitation" and threatening to kill anyone if they learn that he or she has not voted for Rakhmonov. Since Abdulladzhanov has won the nomination for presidential candidate at a session of the Leninabad Oblast Council in Khudzhand, harassment of those who come from Leninabad Oblast has started in Dushanbe. Formerly, the authorities (most of whom hail from Kulyab Oblast) were afraid of doing so... Such a standoff threatens to trigger a new round of tensions.

Meanwhile, in southern Tajikistan, in the border Shuroabad Rayon of Khatlon Oblast, a government army helicopter was shot down by opposition forces. According to MAVURONNAKHR, a Tajik news agency that operates on Afghan territory, 12 servicemen were killed and another 3 wounded. The Tajikistani Defense Ministry, of course, has denied the information. However, this seems certain also to have a bearing on the opposition's plan to open a second front. Its operation in Tavildarin Rayon successfully completed and the bulk of the government forces lured into the area, the opposition can launch an offensive along the southern axis, into former Kulyab Oblast.

Uzbekistan

Karimov Dismisses Tashkent Mayor, Deputies

MM1808135994 Moscow ROSSIYSKAYA GAZETA in Russian 18 Aug 94 First Edition p 6

[Report by correspondent Vladimir Berezovskiy: "Tashkent: Cadres Purge"]

[Text] Uzbekistan President Islam Karimov has issued an edict dismissing Tashkent Mayor Adkham Fazylbekov. Former vice premier Kazim Tulyaganov has received the keys to the capital.

Addressing a State Council session, the head of state accused the capital's ruling echelon (his two deputies were dismissed with the mayor) of destroying the city's economy.

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Thus public transport is virtually paralyzed. It is short of 1,000 bus, tram, and trolleybus drivers. Telephoning anywhere is very difficult: Every fourth telephone is out of action. The situation with regard to medicines is catastrophic: Tashkent has only 10 percent of the supplies it needs. In a heat of 40 degrees there is nowhere to find a drink. Housing construction has stopped.

Finally, the capital's industry is backsliding seriously. There is a production slump, privatization has not reached the majority of plants and factories which are a weight round the state's neck.

The president sees the root of all these troubles in the officials' parasitism and corruption, embezzlement, and obsolete style of leadership. No exception was made for the directors of "Russian" enterprises: "What is the use of a leader who does not regard Uzbekistan as his homeland and the republic's difficulties as his own difficulties."

Observers note that recently the head of executive power has thoroughly "purged" his immediate entourage. There have been reshuffles among the vice premiers and state advisers. There has been a particularly large amount of talk about the resignation of the president's agent—A. Umurzakov, who was in charge of cadres. It is claimed that he was involved in bribery with sums totalling hundreds of thousands of dollars.

The president does not conceal the fact that he intends to count on young, patriotic leaders. They must replace as soon as possible the weary nomenklatura mired in self-seeking, careerism, and scheming against each other. In the president's view, in the face of the aggravating problems of entering the real market, which is connected with the first steps of the national currency, the country cannot manage without new blood.

The aim is an ambitious one—achieving domestic convertibility for the sum along the lines of the Russian ruble. And it looks as though they are beginning to implement this aim. The official exchange rate of Uzbek currency is now rapidly approaching the black market rate and hundreds of exchange points are preparing to open. Here it will be possible to acquire freely convertible currency for sumy. Not more than $250 until the end of the year, it is true.

Deputy Prime Minister, Foreign Minister Appointed

LD1908072394 Tashkent Radio Tashkent Network in Uzbek 0145 GMT 19 Aug 94

[Text] According to the decree of the president of the Republic of Uzbekistan, Saidmukhtar Saidkasymovich Saidqasymov has been appointed deputy prime minister of the Republic of Uzbekistan. Saidmukhtar Saidkasymovich Saidqasymov, due to transfer to this other job, has been relieved from the post of foreign minister of the Republic of Uzbekistan.

[Tashkent Radio Tashkent Network in Uzbek, in the same 0145 GMT broadcast adds the following: "In line with the decree of the president of the Republic of Uzbekistan, Abdulaziz Hafizovich Komilov has been appointed foreign minister of the Republic of Uzbekistan."]

Kyrgyzstan Seeks Integration, Cooperation

MK1908090694 Moscow SEGODNYA in Russian 19 Aug 94 p 5

[Irina Gribova report from Tashkent in the "Neighbors" column: "Uzbekistan and Kirgizia 'Have Synchronized Their Clocks'"]

[Text] Roza Otunbayeva, Kirgizia's [Kyrgyzstan's] foreign minister, has recently visited Uzbekistan on an official visit. In violation of protocol, she was received by Uzbekistan President Islam Karimov who explained this transgression not only by the fact that Kirgizia belongs to the single Central Asian economic space but also that Ms. Otunbayeva is the only woman in the region who heads a foreign policy department.

Apart from the question of developing economic integration, friendship, and cooperation between the two republics, they also discussed Uzbekistan's and Kirgizia's attitudes to the Tajik problem. According to Otunbayeva, her country's government supports the Uzbek leader's position in that the solution of the Tajik question is the affair of Tajikistan itself. Both sides agreed that the neighboring country needs to hold truly contested presidential elections under the auspices of international organizations, and grant a political amnesty.

The Kirgiz minister held negotiations with her Uzbek counterpart Saidkasymov. In the course of the meeting agreements were signed between the two ministries on mutual settlement of questions related to the activity of embassies. They also discussed the opening in the near future of Uzbekistan's embassy in Kirgizia. Both sides signed a treaty on mutual consultations whereby, starting immediately, Uzbekistan and Kirgizia will have a common platform at any international forum; they will test this at the upcoming UN General Assembly session.

Bank Official Outlines Country's Economic Direction

MM1808120494 London FINANCIAL TIMES in English 18 Aug 94 p 12

[Letter from Rustram Azimov, the chairman of the board of directors, National Bank for Foreign Economic Activity in Uzbekistan: "Uzbekistan in Pursuit of Market Reforms"]

[Text] Sir, I refer to Steve Levine's article "Uzbekistan courts his Majesty the som" (July 2).

The west may wonder by what right the "newly emerged" states can doubt the prescriptions offered by

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developed countries, but this is to ignore the fact that Uzbekistan is pursuing a transformation by means of its own strategy of market reforms.

A favourable legal framework for market development has been created in Uzbekistan. More than 50,000 enterprises have been privatised and the proportion of national output produced by non-state enterprises is now a third. Three years ago the state sector accounted for 100 per cent. The practice of privileged loans to the state sector of the economy has been stopped and a hard monetary policy adopted.

More than 1,000 joint ventures have been established. On May 5 1994 a law was adopted offering foreign investors very favourable conditions, including foreign investment risk insurance, and guarantees on the transfer of profits and other funds in hard currency outside the republic without limitations.

The availability of credit facilities from the US, Germany, Japan, the UK, France, Switzerland, Turkey and China indicates the degree of trust in our policies. Many large companies invest in Uzbekistan. We expect stable growth of investments in the coming years. One more fact supporting this predicted trend is the convertibility of the som that started on August 1.

In the earlier article "Flank left to fester" (February 16), Levine referred to the lack of democratic rights and freedom in the central Asian countries. I would suggest that "musical comedy" opposition is not the best proof of the presence of democracy. True democracy is being built over many decades on the basis of the development of a market economy. After three years of sovereignty, Uzbekistan has maintained its financial potential and is gradually paving the way for a market economy.

The National Bank of Uzbekistan has established correspondent relations with 120 of the world's largest banks, it has become a member of the Swift, Reuters and Visa and is involved in the development of foreign investments worth more than US$1bn. This allowed it to enter the top 1,000 banks of the world, according to The Banker ranking (July 1994), where countries of the former Soviet Union are presented only with Russian and Uzbek banks.

Government policy has the backing of the people of Uzbekistan, who have seen that President Islam Karimov has been implementing policies to stabilise the economy and strengthen the country's independence and have shown their support with votes on the only true competitive presidential elections in Central Asia.

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Azerbaijan

Envoy Briefs Press on Latest Moscow Talks

MM1808135094 Moscow PRAVDA in Russian 18 Aug 94 p 1

[Report by Nikolay Kozhanov: "Do Not Scare Peace Away: Azerbaijani Ambassador's Press Conference"]

[Text] For three months now all has been quiet on the Armenian-Azerbaijani front, in the mountains and valleys of the long-suffering Karabakh. And all this time the two sides have conducted an intensive and highly charged dialogue, the objective of which is supposed to be an end to the most drawn-out and bloody of the conflicts which have raged and are still raging on the territory of the former Union. Yesterday at a press conference Ramiz Rizayev, plenipotentiary representative of Azerbaijan in the Russian Federation, told journalists about the results of the latest round of talks held in Moscow under the aegis of the Russian Foreign Ministry.

As we know, it was proposed that the preparation of a major political peace agreement, endorsed by the signatures of the Azerbaijani, Armenian, and Russian presidents, as well as representatives of the Minsk CSCE Group, be completed by August. But, the ambassador pointed out, it is not so easy to overcome the massive stumbling block of mutual mistrust, formed in the course of the six-year war. It is good enough that over half of the 17 points of the future agreement have been agreed upon, and that the two sides have come to a unanimous decision: However long the talks may take, they should without fail be conducted in conditions of peace.

The cease-fire is only the first stage, which should be followed by disengagement of the embattled sides; liberation of the occupied Azerbaijani lands—and these constitute 20 percent of the republic's territory; the return of more than a million refugees to their devastated homes; a definition of the status of Nagorno-Karabakh.... And each stage requires hard-to-achieve agreements and compromise decisions; every hasty step or gesture is potentially explosive. Meanwhile on both sides there are forces interested in continuing the war, which brings them millions in profits from robbery, pillage, or arms trading.... In this connection, the ambassador spoke bluntly on the subject of provocative statements and actions by the opposition.

R. Rizayev dwelt in particular on the attitude of certain Russian press titles which, in his opinion, manifest in their publications an approach which is patently one-sided and unfriendly to Azerbaijan.

Deputy Foreign Minister Views Talks

NC1808150894 Baku AZERTAC in English 1131 GMT 18 Aug 94

[Text] Baku, August 18 (AZERTAC)—According to the Deputy of Foreign Minister of the republic Mr. Zulfugarov, who is the head of the Azerbaijani delegation on negotiations between Azerbaijan and Armenia, which are held in Moscow with the mediation of the Foreign Ministry of Russia, they have been suspended not because of strict position of Azerbaijan as it is presented by some mass media but by mutual agreement of the parties.

Mr. T. Zulfugarov said that seven from fifteen clauses of a big agreement proposed by the CSCE, CIS and Russia on cessation hostilities and peaceful resolution of the conflict have been gotten agreement during the Moscow meeting. He also said that after a short break parties would resume these very intensive negotiations as besides the agreement itself they have to discuss six appendixes to the agreement. According to him, it will obviously happen after the Russian president's special envoy, Ambassador at large, Mr. Kazimirov's return from Vienna, where he went in order to take part in the conference of the nine CSCES countries and after the visit of Mr. J. Eliasson, the head of the Minsk group on Nagorno-Karabakh.

The main result of last negotiations between Azerbaijani and Armenian representatives and also representatives of both communities in Nagorno-Karabakh was the agreement of exchange women and children hostages by belligerents. According to Mr. Zulfagarov, this plan will be realised by international committees of the Red Cross during the next weeks. According to his information there are 95 children and 362 women among hostages and captureds from Azerbaijan. And only 2 Armenian women-hostages.

The Azerbaijani deputy of foreign minister expressed his astonishment about Armenian statements that 'Armenia is in a conflict only because of frontier problem.' 'Azerbaijani party and Russian mediator pointed out more than once that such position of Armenia diminish its role in conflict over Nagorno-Karabakh'. Armenia must undertake some commitments in the framework of the agreement. According to Zulfugarov, Armenian party drags out the negotiations about liberation of all captured Azerbaijani territories.

In the course of negotiations Azerbaijan showed flexible and compromise position. But there is no any compromise in liberation of all Azerbaijani territories and return refugees to their homes. It would be not concession to Azerbaijan but to the whole world. Mr. Zulfugarov stressed that it is impossible to establish peace without liberation of all captured territories. The war is onerous for both Trans-Caucasian republics and it is unacceptable to do anything with the position of force.

Baku Ready To Exchange Hostages

LD1808162794 Moscow INTERFAX in English 1053 GMT 18 Aug 94

[Text] Azerbaijan is ready to exchange with Armenia and Karabakh all remaining hostages, comprising women and children. This readiness was voiced in an interview

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with Interfax by Namig Abbasov, who heads the republic's commission on refugee affairs.

Commenting on an understanding reached at the Moscow talks on Karabakh to conduct such an exchange as early as this week, Abbasov noted that due to Yerevan's reluctance to be in contact with Baku and the Red Cross over the hostage issue, such a swap was in doubt.

He voiced his government's desire to return three Armenians, two women and a baby girl, to Armenia without precondition.

He recalled that the Azerbaijani authorities had let ten Armenian hostages return last year.

Meanwhile, according to Azerbaijan's National Security Ministry, Armenians are holding 362 women and 95 children, all of them Azeris. The whereabouts of another 59 women and 35 children are known.

However, the Red Cross claims that the Armenians are holding only 19 women and 10 children hostage.

Abbasov reported that about 300 Azerbaijani hostages had returned to Azerbaijan over the last 18 months.

Sides Agree To Set Up Peace Zone in Karabakh

MK1908085894 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 19 Aug 94 p 2

[Unattributed report: "20 Kilometers of Peace"]

[Text] MOSKOVSKIY KOMSOMOLETS has learned new details of talks between Armenia and Azerbaijan on Karabakh, the first round of which has ended in Moscow.

As a spokesman for the Azerbaijan Embassy in Moscow told us, one of the main results is an agreement on setting up a 20 km (wide), and fairly long, "zone of peace:" This is precisely the distance which reliably precludes the use of heavy artillery by the opposing sides against each other.

Questioned by MOSKOVSKIY KOMSOMOLETS whether the option was discussed for Karabakh's joining Russia, which was aired last summer at a parliamentary level, our interlocutor answered in the negative.

Gasanov Sets Conditions for Agreement With Armenia

LD1808162694 Tbilisi IPRINDA in Russian 1400 GMT 18 Aug 94

[Text] Baku (IPRINDA)—According to an IPRINDA correspondent, Foreign Minister of Azerbaijan Gasan Gasanov, in connection with the Armenian-Azeri conflict, made a statement on 18 August saying that Azerbaijan was ready to sign a comprehensive political agreement provided that Armenia unequivocally withdrew all of its troops from Azerbaijan.

Official Foresees No Armenian Agreement in Aug

NC1808200694 Baku TURAN in English 1748 GMT 18 Aug 94

[Text] Baku, August 18 (TURAN)—"Existence of an opinion that Major political agreement (MPA) will be signed by the end of August, seems to be far from truth, as a big work on the completion and agreement of some provisions of the document is to be done," TURAN was told by Gabil Guseyinly, state advisor for humanitarian issues.

According to him, a first round of negotiations in Moscow was over and a second round is expected in near future. He noted that due to great differences in positions of the parties,the work over the MPA is very hard and difficult.

"Basic provisions of MPA had been agreed long ago. They are leading to the keeping to the territorial integrity of Azerbaijan's borders". According to Guseyinly, Russia, fulfilling its mediatory mission in the settling the Armenian-Azeri conflict, also stated about adherence to these principles.

"At the same time, there are differences in the opinions concerning the Nagorno-Karabakh's status, status of Shusha and regions bordering with it, as well as Lachin and the so-called Lachin corridor," said Guseyinly. He noted that the parties could not come to compromise in this issues. "A negotiations in this direction are going on. If the MPA does not take into account Azerbaijan's interests, it will not be adopted by the population of the republic," said the state advisor.

War Veterans Protest Lack of Government Support

NC1808144194 Paris AFP in English 0956 GMT 18 Aug 94

[Text] Baku, Aug 18 (AFP)—About 200 Azerbaijani veterans from the six-year war with Armenia over the disputed enclave of Nagorno-Karabakh demonstrated Thursday to protest lack of support from the government.

The members of the Society of Karabakh War Veterans gathered in Azadlyg Square in central Baku carrying banners demanding aid for veterans.

The demonstrators were cordoned off by about 150 militia officers who prevented journalists from attending the meeting. "The meeting is illegal," said a militia officer.

Speaking outside the security cordon, Adalat Gasimov, a veteran wounded in the heavy battle for Lachin in 1992, said "we want justice, we need medicines, doctors."

Several of the protesters were in wheelchairs or walked with the aid of crutches.

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Gasimov said First Deputy Prime Minister Elchin Efendiye had met with the demonstrators.

The six year war over Karabakh—populated mainly by ethnic Armenians but located inside Azerbaijani territory—has caused havoc in the Azerbaijani economy.

The protest was politically embarrassing for the Azerbaijani administration, which portrays the war in heroic, nationalist colors.

Demands of War Invalids Publicized

NC1808201394 Baku TURAN in English 1748 GMT 18 Aug 94

[Text] Baku, August 18 (TURAN)—Picket of Karabakh war invalids on the central square "Azadlyg" in Baku continues. The square, where approximately 100 people had gathered, is surrounded by policemen.

Following demands of Karabakh war invalids were transferred today TURAN on behalf of the Organizing Committee: [as published]

1. Dismissal of acting Minister of Labour Fazail Agamaliyev, as he does not fulfill the obligations and was indifferent to the invalids and the families of shekhids [martyrs].

2. Insertion of representatives of the Invalids' Community to the Board of Labour Ministry, which was set up at the instruction of the president.

3. To increase by 5 times the minimum level of social provision of shekhids families, war invalids and families of soldiers. To provide implementation of the provisions of Law for indexation of income.

4. To publish facts of premeditated removal from duties of highly qualified commanders, and what negatively influenced the army.

5. To broadcast all the provisions of Major Political Agreement, which are still secret for people. Any agreement concerning the Karabakh should be submitted to people referendum.

6. To assess as a provocation against invalids-participants of war for territorial integrity of Azerbaijan, creation of "Community of invalids" and to abolish that community. To resign state advisor Gabil Guseyinly as the initiator of creation of that community.

According to latest information, approximately at 16:00 Geydar Aliyev had stopped the session in the presidential apparatus, devoted to problems of agriculture. Presently he is meeting the representatives of the invalids.

People's Front Denies Organizing Protest

NC1808202494 Baku TURAN in English 1748 GMT 18 Aug 94

[Text] Baku, August 18 (TURAN)—Azerbaijan's Popular [People's] Front had not organized the picket of Karabakh war invalids' community on the "Azadlyg" Square in Baku and did not get any proposal to participate in this action," TURAN was told by Ibragim Ibragimly, Deputy of the Popular Front.

152 members of that community made a rally, demanding the resignation of Fazail Agamali, acting minister of labour and social care; they demanded protection of social rights of war invalids and asked publicly adhesion of the republic authorities, concerning the Major Political Agreement on Nagorno-Karabakh.

Ibragimly said that on August 14 he was invited to the Interior Ministry, where he was stated that the Popular Front should not organize the rally of invalids. "I assess that statement as a provocation and said that the Popular Front has not any relation to the rally and the organization does not intend to conduct any mass actions," said Ibragimly.

He noted also that today four high-ranked employees of the Interior Ministry came to his home and again called to refuse from conducting the invalids' rally. "Once again I explained them that the Popular Front has not relation to the rally and demanded to submit facts about the participation of our organization in this rally. But they could not submit any facts," said Ibragimly.

According to Ibragimly, the authorities try to organize new wave of repressions against the Popular front in order to crush the organization and to put all the blame of leadership failure on the Popular front.

People's Front Activists Detained by Police

NC1808194694 Baku TURAN in English 1748 GMT 18 Aug 94

[Text] Baku, August 18 (TURAN)—Today at 16:30 armed policemen entered the editorial office of AZADLYG newspaper. After a short conversation, following activists of Azerbaijan Popular [People's] Front (PF) had been "invited" to Sabail Police Department: Deputy Ibragim Ibragimly, deputy of PF, ex-state secretary Ali Kerimov, deputy of PF, ex-press-secretary of Elchibey Arif Aliyev, ex-state advisor Gulamguseyin Aliyev, ex-interior minister Iskender Khamidov, Editor-in-Chief Gundus Takhirli, and the employees of the newspaper Ganimet Zakhidov, Seymur Babayev, Gorkhmaz Ibragimov and Suleyman Osmanov, the employees of Democracy Development Fund Mirali Guseynov and Rasim Nuriyev.

According to information, that event is connected with the picket of invalids on the "Azadlyg" Square.

TURAN was told by Ibragim Ibragimly that representatives of Interior Ministry had blamed PF in arranging the picket, but Ibragimly said that PF did not participated in the picket.

Front Leaders Remain in Custody

LD1908130394 Moscow INTERFAX in English 1034 GMT 19 Aug 94

[All names as received]

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[Text] A spokesmen has told Interfax that three leaders of Azerbaijan's opposition Popular Front - deputy chairman Ibragim Ibragimly, Azerbaijan's ex-Secretary of State Ali Kerimov and ex-Minister of Internal Affairs Iskender Gamidov - remain in police custody. The three men were detained Thursday evening in Baku.

Another deputy-chairman of the Popular Front and the press secretary of Azerbaijan's ousted President Abulfaz Elcibei, Arif Aliyev, the chairman of the Front's medjlis and former Cabinet adviser Gulamgussein Aliyev and editor Giunduz Takhirli as well as thirteen other staff workers of the opposition newspaper AZADLYG were detained Thursday evening only to be released later. Not a single police officer, they say, was willing to confirm that they had resisted arrest, an offense which can lead to fifteen days of detention.

The press center of Azerbaijan's Ministry of Internal Affairs declined comment saying no information was available.

It said it knew nothing of Thursday night's search at Ali Kerimov's home. The search was reported by Popular Front sources.

Some sources link the detentions to a protest action at Baku's main square. Invalids of the Karabakh war picketed the main square also on Thursday but the Popular Front leaders say they had nothing to do with that.

Home of Opposition Politician Attacked

NC1808204494 Baku TURAN in English 1750 GMT 17 Aug 94

[Text] Baku, August 17 (TURAN)—Departments of six political Parties of Salian region of Azerbaijan, addressed with a statement calling law-enforcement bodies to investigate act of sabotage against Agalarov, head of region department of Party of National Independence [PNI] and to punish the organizers of the criminal.

According to PNI press-centre, at night on August 11 a grenade was thrown down to the yard of Agalarov's house. The house was damaged. Fortunately, nobody was at home that time.

The statement reads that violation of human rights and public and political communities of the civilians, has become an usual event, but in recent times the pursuit of opposition has [been] reinforced.

Statistics Show Economy Continuing To Decline

LD1708164494 Baku AZTAG in Russian 1245 GMT 17 Aug 94

[Text] Baku, 17 Aug—Despite extremely optimistic confirmed forecasts, the economic situation in Azerbaijan continues to get worse. This is shown by the results of national economic activity over the past seven months of the year. According to figures from the republic's Ministry of the Economy, national income over this period, in comparison with the same period last year, dropped by almost 25 percent, the volume of industrial output by 27 percent, and agricultural produce by 13 percent.

There was a certain increase in production of petrol, admittedly with a reduction in output of diesel fuel of 8 percent and of furnace oil of almost 23 percent. There has been a slump even in such a traditionally prosperous industry as the wine and liquor industry. There has been a drop in output of virtually all types of alcoholic drinks with the exception of vodka, where the volume of production continues successfully to grow.

In the worst position are metallurgy, with a fall in production of 85 percent, the timber, chemical and petrochemical industries, production of building materials and engineering. Things are no better in procurement of agricultural produce. In seven months in comparison with the same period last year, there is 20 percent less grain procured, cattle and poultry—32 percent; milk—34; eggs and vegetables—64 and 69 percent respectively.

Prices for goods and services continued inexorably to rise. They increased by a factor of 13.3, while people's incomes grew by a factor of only 5.4. The average wage amounts to 14,000 manats, which is approximately 12 dollars. The highest paid are still bank staff and the lowest, agricultural workers.

Oil Contract With U.S. Firm 'Surprise'

MM1808132194 Moscow IZVESTIYA in Russian 18 Aug 94 p 3

[Report by Sokhbet Mamedov: "Aliyev Junior Visits White House Before Father"]

[Text] Baku—Azerbaijan's first oil contract with the U.S. United BNB Group [as published] has been signed in Washington. The contract covers a 20-year period with the possibility of extension. It envisages the exploration and joint exploitation of two of the republic's fields with a yield of several million barrels of oil.

This event, of which a limited number of people in the republic were informed, came as a surprise to many people.

Few people in Baku knew about the contract itself or about the United BNB Group, which managed to overtake in the closing stages the consortium of Western oil companies with which Baku is about to sign another contract. Incidentally, the final stage of the talks with the representatives of the consortium, which includes the well known companies Amoco, British Petroleum, Pennzoil, Unocal, McDermott, and Lukoil, is currently under way in the United States. The Azerbaijani delegation to the talks is headed by Natig Aliyev, president of the state oil company, and his deputy and namesake Ilham Aliyev.

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Curiously, the contract with United BNB Group was signed not by the company's president but by his deputy, the son of Azerbaijan's president, who has also been received at the White House. Ilham Aliyev's vigorous activity in the United States suggests that he is acting as the Azerbaijani president's personal representative in the talks.

The oil contract is of not only economic but also political significance for Azerbaijan, which wants to raise its relations with the United States to international level.

Incidentally, the ties between the two states increased appreciably following [Azerbaijani President] Heydar Aliyev's meeting in Istanbul with U.S. Secretary of State Warren Christopher. But what they agreed on there is still a secret.

Labor Party Seeks Creation of 'Euro-Asian Union'

NC1808202694 Baku TURAN in English 1749 GMT 18 Aug 94

[Text] Baku, August 18 (TURAN)—Despite of the condemn by the government the number of party members is increasing. According to Sabutay Gadzhiyev, after the party has registered in May of the current year by the government, the number of its members sharply increased from 14 thousand till 40 thousand people. The number of the "Azeri labour men" is totalling 8 thousand people in Sumgait, 2.5 thousand in Shaki, 15 thousand in Talish region and 4 thousand in Absheron today, said Sabutay Gadzhiyev.

The sharp increase of the opposite party members who is criticizing the government, troubles the government. The promise to finish the war, to stabilize the social-economic situation, to restore the lawfulness and order are not implementing" said Gadzhiyev.

According to the head of the party the governmental organs have destroyed the constitutive conference in Absheron district and in Sumgait.

"In one of his conferences Geydar Aliyev condemned this party in restoring socialism and the Soviet Union. However the socialist practice is confirmed by the experience in Holland, Sweden, Switzerland and in other Europe countries. But the aim of the Labour Party of Azerbaijan is not to restore the USSR, but the creation of the Euroasian union" said Gadzhiyev.

"Shamakhi is one of the main points of our party, the number of the party members is about 5000 people there. However besides it the party has its supporters. Therefore the Justice Ministry's request is to reconsider the decision of registration and to stop the activity of the party "in behalf of the Shamakhi community representatives" we estimate as an attempt of suppression, as the violation of the constitutional rights and the repressions against the opposition" he said.

The Labour Party has a large authority. It has been registered in 25 cities and regions of the republic. In its ranks there are 40 deputies of the Supreme Soviet of Azerbaijan, about 240 deputies in local Soviets, scientists, a great number of unemployed as well as the veterans of the Internal and Security Ministries. We are to open our representations in Moscow, in Kiev, in St. Petersburg, in Smolensk and in Saratov in September of 1994. We are becoming the huge political power and sooner or later we shall be taken into consideration.

TURAN'S NOTE: From its very conception the Labour Party is being condemned by the government, accusing it as Mutalibov supporter. Rasim Agayev is the political coordinator of the party who was the former press-secretary of Ayaz Mutalibov. The first constitutive conference of the party was destroyed by the police in January of 1994.

The head of the Labour Party—Sabutay Gadzhiyev is the professor of the Geography Institute of the Academy of Sciences of Azerbaijan, as well as he is the member of the International Hydrogeological committee of UNESCO. He was born in 1942 in Baku. His father—the teacher of marxist phylosophy. Married, has three children.

Georgia

Abkhazia Denies Sending Armed Men to Chechnya

LD1808163194 Moscow ITAR-TASS World Service in Russian 1424 GMT 18 Aug 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow, 18 Aug—The leadership of Abkhazia denies media reports that it has dispatched an armed group of Abkhazians to Chechnya. An ITAR-TASS correspondent was informed of this today during a telephone interview with Vladimir Mikanba, deputy chairman of the republic's Council of Ministers, who is the government official responsible for military affairs.

Abkhazia has not sent a single man "to help Dudayev," Mikanba said. He added that there was no real substance to the statement by President Dudayev's press service, which is cited in media reports. Its objectives are pure propaganda, he said.

Abkhazia is not interfering in Chechnya's affairs. It would never do anything to harm the interests of Russia—for whose peacekeeping activities and assistance in settling the Georgian-Abkhaz conflict the Abkhaz people are grateful, Mikanba noted. The report that the Abkhaz leader, Vladislav Ardzinba, has dispatched an armed detachment to Chechnya is a lie. Its aim is to create tension in relations between Abkhazia and fraternal Russia, Mikanba declared.

Citizens 'Preoccupied' With Lack of Winter Supplies

MM1808120394 Moscow ROSSIYSKAYA GAZETA in Russian 17 Aug 94 First Edition p 6

[Report by Mikhail Dolidze: "Georgia: Back to the 'Burzhuyka'"]

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[Text] Tbilisi—At the height of the unusually cool summer Tbilisi people's thoughts are preoccupied with the forthcoming winter. Experience suggests that it will be far more difficult than last winter; after all, even today supplies of gas to Georgia have been reduced. The republic is receiving 3 million cubic meters of gas per day instead of the 13-14 million needed. This is due to unpaid debts to Turkmenia.

According to specialists' reports the capital alone needs 1 million cubic meters of gas, and a further 2.5 million are earmarked for the needs of power engineering. That is today. In the winter gas consumption increases three- to fourfold.

Since August the price of a cubic meter has grown from 35,000 coupons to 100,000 coupons (500 coupons are equivalent to one Russian ruble); a reasonable wage according to local standards is 300,000 to 400,000 coupons. Representatives of the "Gruzgaz" department are advising people to lay in stocks of kerosene, firewood, and "burzhuykas" [small stoves] to prevent Georgia from freezing to death.

Difficulties with gas will inevitably affect the generation of electricity. In winter it is planned to supply light to houses for two hours per day. For many people this means subsistence on semistarvation rations, since a quarter of the population in Tbilisi cook on electric stoves.

As a result the number of those leaving Georgia now exceeds 1 million. It cannot be doubted that the number of forced migrants will have increased by the winter. The waiting lines at the Russian Embassy are growing—people hope to obtain citizenship of neighboring countries and leave. It has become all the rage for people to go to the Netherlands and seek political asylum. Some are lucky. Some are refused; nevertheless they are housed in refugee camps for the winter with light, warmth, and a glass of beer.

Faith in the authorities is diminishing all the time. According to sociological polls at the end of July, only one-tenth of the population believes that the government's measures will enable the country to meet the winter with confidence. Meanwhile, 81.4 percent are disenchanted with the government. This is why newspapers are appearing in August with front-page headlines reading "Winter of Our Discontent."

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Estonia

Defense Ministry Concerned About Budget Cuts

WS1808135994 Tallinn BNS in English 0859 GMT 18 Aug 94

[Text] Tallinn, Aug 18, BNS—The Estonian Defense Ministry learned with surprise and anxiety that the ministry's appropriations in the second supplementary budget for the current fiscal year were cut by one quarter. The ministry's share of the budget is about 15 million kroons or 1.5 percent of the total.

Chancellor Tarmo Molder told BNS that the ministry asked for more funds to conduct strategic research, prepare Estonian peacekeepers, hold juridical consultations, and complete unfinished construction projects. Instead, the Finance Ministry decided to reduce the defense budget. In Molder's words, the Finance Ministry officials apply "a ruler policy" in drafting the budget, which is entirely unacceptable to the Defense Ministry.

"The Finance Ministry claims that, if the Defense Ministry's budget is, say, three million kroons for one quarter this year, it has to be three million also for next year's quarter. We say that the Defense Ministry's work follows projects, not a ruler. But, this doesn't interest the Finance Ministry," Molder said.

Culture and Education Minister Peeter Olesk and Social Affairs Minister Marju Lauristin proposed at the government session on Tuesday that the Defense Ministry budget be cut and the money be appropriated for raising teachers' salaries. The Cabinet rejected the proposal, but the defense budget was cut, nevertheless.

Finance Minister Andres Lipstok told BNS that the ministry had made cuts in other ministries' and departments' budgets as well.

"We can't say that the money withheld from the Defense Ministry went into teachers' raise. It could just as well have been channelled to local governments," Lipstok said.

The Defense Ministry is asking for about a billion kroons from next year's budget. If the appropriation is approved, the ministry will start forming Estonian naval and air forces. The decision in principle is in the hands of the government, Molder said.

Estonian, Russian Sides Disagree Over Border

LD1808144894 Tallinn Radio Tallinn Network in Estonian 1300 GMT 18 Aug 94

[Text] Here is a statement which just arrived from the Foreign Ministry.

The Foreign Ministry press service states that Foreign Minister Juri Luik today received Aleksandr Trofimov, the Russian ambassador to Estonia, at the latter's request. Ambassador Trofimov handed to the foreign minister a draft of the CSCE reform and briefed him on the proposals the Russian Federation is planning to make at the CSCE summit in Budapest.

Today's meeting also discussed the issue of the Estonian-Russian border, on which both sides maintained their positions. Foreign Minister Luik reiterated that the Russian Federation is not acting in accordance with the CSCE principles.

Troop withdrawals from the Republic of Estonia were also discussed. The ambassador said that the Russian side intends to fulfill its obligations on troop withdrawal. The problems which have arisen during the withdrawal process were also discussed.

This was reported by Mariann Rikken, the Foreign Ministry's press representative.

Russian Troop Withdrawal Behind Schedule

LD1808155594 Tallinn Radio Tallinn Network in Estonian 1400 GMT 18 Aug 94

[Text] The train carrying Russian army property, which was due to leave Klooga 16 August, is likely to leave the station as late as tomorrow, BNS [BALTIC NEWS SERVICE] learned from the Klooga train station.

Kert Kool, the press representative of Estonian Railways, informed the Ministry of Defense yesterday about the Russian side being in breach of the troop withdrawal schedule.

One train is being loaded in Ulemiste station [in Tallinn], according to the schedule it must leave Estonia tomorrow. Including those which are now loaded, three more trains carrying Russian army property are scheduled to leave from Ulemiste and four from Klooga. The loading of a 12-car train is to begin in Keila [near Tallinn] tomorrow.

Two large and one small trains, carrying Russian army property, left Estonia this week.

Latvia

Deputies Vote 'No Confidence' in Cabinet

LD1808184594 Riga Radio Riga Network in Latvian 1700 GMT 18 Aug 94

[Text] At the extraordinary session of the Saeima today, deputies voted against expressing confidence in the Cabinet of Ministers composed by Andrejs Krastins and the government declaration. Twenty-seven deputies voted against, 28 abstained, and 35 deputies voted in favor of expressing confidence in the Cabinet of Ministers. Andrejs Krastins, the candidate for the post of prime minister, told the deputies about the new composition of and the declaration by the new government, and pointed out that the main idea in creating the cabinet was the restoration of the Latvian state and the stabilization of the country—concepts which together unite all political forces both within the Saeima and without. The

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main feature of the activity of the cabinet will be a social policy (?that is a policy uniting all forces). Krastins mentioned as further priorities the country's security, defense, and legal reforms, as well as stabilization of the country's economy.

The debates about the new government declaration were begun by Current Prime Minister Valdis Birkavs. He said that the Krastins government declaration was (?belated) as it noted many measures that the previous government had already taken. On the other hand, such essential tasks as the introduction of the citizenship law and the elimination of the damage done by Russian troops were not mentioned. In his speech, Birkavs mentioned the priorities which the Latvian Way has succeeded in implementing irrespective of whether it was in position or in opposition [pozicija vai opozicija].

Minister of Finance Uldis Osis expressed the view that the cabinet formed by Krastins would not be politically defended if it were forced to give in to the interests of a narrow political group and the demands of a Saeima plenum. This government was put forward as a [word indistinct] whose activity was unpredictable. Therefore its (?lack of a) program was affected. Osis ventured the view that the LNNK [Latvian National Independence Movement] has made a conceptual mistake in creating its cabinet declaration. It encompassed only one year, with a view only to the government's activity, not to the development of Latvia.

For his part, Minister of Welfare Janis Ritenis emphasized that this government will concern itself with (?populism) in the sphere of welfare, and therefore, in the view of experts at the Ministry of Welfare, outside the (?perceived field of work) of that Ministry. Ritenis would not support the vote of confidence in the Krastins government, even though the Latvian Peasants' Union faction was [word indistinct] to vote in favor of the Krastins government. But, as Aleksandrs Kirsteins, chairman of the LNNK faction, said, in forming a government the LNNK wanted to show that the Saeima is able to function. In the future the LNNK wanted to create a new basis for solving Latvia's problems, including representatives of the [word indistinct].

Independent deputy Odisejs Kostanda expressed the view that the cabinet formed by Krastins is a list of separate list of people, not a team. However, Kostanda called for a vote in favor of the government formed by Krastins, to be able to prove whether the LNNK's words and (?promises) correspond to their acts.

Ulmanis Interviewed After No-Confidence Vote

LD1808201294 Riga Radio Riga Network in Latvian 1900 GMT 18 Aug 94

[Text] Today at the extraordinary session of the Saeima, deputies voted against expressing confidence in the Cabinet of Ministers composed by Andrejs Krastins and the government declaration. Twenty-seven deputies voted against, 28 abstained, and 35 deputies voted in favor of an expression of confidence. After the plenary session, Latvian Radio asked in a brief interview with President Guntis Ulmanis how he would describe today's plenary session.

[Begin Ulmanis recording] I think that the parties and factions have talked enough among themselves to know who is who, what the problematic attitudes could be, and have expressed plenty of unpleasant and also pleasant things, and I myself feel that next week there could be a process in which several factions work out among themselves these attitudes to the program, and even put forward a candidate for the post of the next prime minister. [end recording]

According to existing legislation, in the situation that has arisen, the president has to name a new candidate to whom he will entrust the formation of a cabinet of ministers. To the question from Latvian Radio as to whether there is an alternative candidate at present, the president replied:

[Begin Ulmanis recording] I will confer with them: what they have really discussed, who could be (?declared in the) announcement, who were the serious ones, and what is the (?basis) for these names, we'll see, but, well, today there were recommendations in roughly (?two) directions. One of them, I know, is that the Latvian Way is unable to make a coalition. Speaking in the debates, one would do it with pleasure, another with regret; and another possibility is that one [word indistinct] to do it. On these two basic theses, both mutually, together, [word indistinct] the formation of a government and the finding of a candidate for the premiership. [end recording]

At present, the president is certainly not prepared to name the next candidate for prime minister.

Russian Airfield Handed Over to Air Force

LD1808210894 Riga Radio Riga Network in Latvian 1700 GMT 18 Aug 94

[Excerpt] The Lielvarde airfield, which belonged to the Aviation Division of the Russian Army, has been handed over to the Air Force of the Latvian Defense Ministry. Yesterday an aircraft of the Latvian Air Force flew there from Riga on an inspection visit. In the future there, about (?a) kilometer from Lielvarde, the main base of the country's air force will be situated. At present most of the buildings located at the air force complex are wrecked and looted. [passage omitted]

Russian Secret Service Begins To Withdraw

WS1908085994 Riga DIENA in Latvian 9 Aug 94 p 1

[Report by Liga Laizane: "The Intelligence Unit Will Be the Last To Leave Latvia"]

[Text] Riga, 9 Aug—The Russian Army Espionage and Counterintelligence Department is one of the army units

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which was not mentioned in the official schedule for army withdrawal from Latvia. Due to an oral agreement with representatives of Latvia, its withdrawal should begin on 12 August, DIENA was told by Ludis Pavilonis, the deputy chief of the Russian Army Withdrawal Monitoring Bureau. The Bureau is located in Riga, at Maiznicas Street No.5 and Sarlotes Street No.8.

According to Pavilonis, some of the army units stationed in Latvia did not appear on the official timetable. There can be different reasons for this—either errors in bookkeeping or a wish to keep these units secret.

As DIENA was told by a competent official of the Ministry of Defense, the task of the Espionage and Counterintelligence Department was to eliminate activities of spies from other countries in the Russian Army and to provide for its internal security. When independence was restored in Latvia, this service obtained broader functions—information was to be collected and forecasts were to be made about institutions in the Baltic states and the attitude of politicians toward the Russian Army.

The espionage division is officially gone, but the counterintelligence division will be the last to leave. This division is headed by General Major Genadiy Krasachenkov. DIENA has already reported about an unregistered counterintelligence unit in Daugavpils which was masked as a medical unit. This unit was also subject to the division headed by G. Krasachenkov. It is believed that it supervised all counterintelligence officers working in other military units. These people, who were officers of the Russian Federal Counterintelligence, usually wore simple army uniforms.

Gunars Kandis, chief of the Home Guard information service, expressed the assumption that the counterintelligence division officers are being transferred and sent as officers of common units to the Skrunda radar station.

On 1 August, there were still 2,428 Russian military personnel and 63 divisions and facilities in Latvia. After this date, a delay has been noted in the withdrawal of the most important units from Adazi, Dobele, and Aluksne. Dobele should have been freed by 26 July; the motor riflemen division should have been withdrawn from Strautini in Aluksne by 30 July, and the division from Adazi—by 6 August.

Nationals Campaign for Changes in Citizenship Law

WS1908103594 Riga DIENA in Latvian 12 Aug 94 p 1

[Text] Riga, 11 Aug—The Citizenship Law which was signed by President Guntis Ulmanis on Thursday and adopted by the Saeima [parliament] on 22 July, has become effective today. Meanwhile, the campaign for amendments to the law, which was recently declared by national organizations, has not actually begun.

Immediately after acceptance of the law by the parliament, the board of the Latvian National Independence Movement [LNNK] made a decision to begin immediately to collect signatures of voters, with the aim of introducing amendments in the Citizenship Law, in compliance with the Satversme [Constitution]. The Union "Fatherland and Freedom" [TB] announced even earlier its wish to start a similar campaign. However, collection of signatures was delayed—both national organizations wished the campaign to be a joint action, but could not agree as to when it should be started, because at the current moment the LNNK was busy with drafting a list of the new cabinet of ministers. The LNNK leaders have now announced that the campaign should probably be postponed until the elections of the 6th Saeima.

LNNK Chairman Aristids Lambergs told DIENA that the LNNK board meeting, scheduled for 27 August, will repeatedly consider the possibilities of improving the citizenship law and decide when the official campaign would begin or whether it should be abandoned. The TB has not decided as yet what steps it would take if the [LNNK] would abandon the idea of changing the law. As DIENA was told by Janis Jakobsons, TB faction adviser, preparations for the campaign are continuing.

Lithuania

Lithuanian Referendum Seen Undermining Economy

MK1908102494 Moscow OBSHCHAYA GAZETA in Russian 19-25 Aug 94 No 33 (signed to press 18 Aug) p 3

[Report from Vilnius by Aleksandr Kidenis under the "Referendum" rubric: "Landsbergis to Torment the Lithuanians."]

[Text] It has been decided to conduct a referendum in Lithuania 27 August on where to go from here. The initiator of this undertaking is the right opposition, led by former conservatory professor and former chairman of the republic Seima, Vitautas Landsbergis.

The opposition, as usual, has accused the authorities of conducting an "anti-people" policy, under which the rich get richer, the poor get poorer, and the mafia flourishes. And for starters, it proposed that the Lithuanian Seima adopt a law on a ten-fold indexation for Lithuanians' savings bank accounts which have been rendered worthless. However, the law failed to pass the Seima. Then the opposition organized a collection of

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signatures in support of a national referendum on the subject. The action was successful: They collected the necessary number of signatures. As a result, a "complex question will be asked at referendum: on the adoption (or non-adoption) of a constitutional law "On Illegal Privatization, Devalued Savings Accounts and Shares, and Violations of Law and Order."

The essence of the draft law consists in proclaiming illegal the campaign of privatizing state property which has already been conducted, and auctioning off all the enterprises "at their real value." The income generated would then be used to index the bank accounts, the value of which has been eroded during the course of the reforms, and for other charitable actions. And at the same time, the draft law proposes several methods of achieving a total victory over crime. The current Lithuanian authorities are against the referendum. For they judge that this action would only exacerbate the situation in the country, and lead to an increase in the tensions between various strata of society. Meanwhile experts from the IMF currently working in the republic claim that adoption of the proposed law insofar as the ten-fold indexation is concerned, would lead to a complete financial collapse: The national monetary unit, the lit, which currently has a stable exchange rate of 4 to the dollar, would quickly collapse, and the country would be struck by unprecedented inflation, etc.

However, the signatures have been collected, and the referendum will take place. And not only on Lithuanian territory. The republic's citizens who will be in Moscow on 27 August have been invited to vote at the Lithuanian Embassy at 10, Borisoglebskiy Pereulok. Apparently, this is such a case when it is necessary to demonstrate political activity. Otherwise a Lithuanian businessman could return home from Russia and find that socialism has been resurrected there....

Debate on Savings Referendum Viewed

WS1908081894 Tallinn BNS in English 1436 GMT 18 Aug 94

[Text] Vilnius, Aug 18, BNS—A series of debates on the state-run TV channel in Lithuania suggests that supporters and opponents of the forthcoming referendum on restoration of savings have virtually used up their arguments and will now have to wait for referendum results. The nationwide referendum is scheduled for Aug. 28.

"This TV program proved that 4.5 million lits are wasted on political games," a woman said in an unofficial survey conducted by journalists about a TV debate between Prime Minister Adolfas Slezevicius and the chairman of the opposition Conservative Party's Board, Gediminas Vagnorius. Slezevicius, who is the chairman of the ruling Lithuanian Democratic Labor Party, and Vagnorius, a former prime minister, met on TV Tuesday night.

It seems that taxpayers' money is not only just spent, but squandered, Lithuania's top daily LIETUVOS RYTAS said. According to the newspaper's estimate, the printing of referendum ballots cost four times more than the average price for similar printing work in Lithuania.

Fortunately, the ballots will not have to be reprinted. The Supreme Court turned down on Wednesday the appeal of the rightist opposition, which says the Chief Election Commission [CEC] deliberately approved a newspaper-size ballot to ruin the voting. The court turned down the opposition's appeal, but also declared unlawful the CEC's decision that the president and members of the government have the right to campaign on TV out of turn. However, the president in fact has an opportunity to discuss important issues on TV any time he wishes.

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